



Drayton's

Workplace Consulting

Newsletter

24 June 2010

Welcome to our Winter Newsletter edition. The December quarter 2009 enterprise bargaining trends have only been released this week which has delayed the release of this newsletter.

The first annual wage rise from the Fair Work Act will operate from the first pay period from 1 July 2010. This increase will apply to employees engaged on the minimum modern award rates. 1 July 2010 will also see the first of the transitional increases in terms of modern awards.

The wage increase from bargaining in the December quarter is surprisingly an increase from the September quarter 2009 bringing the average annual wage increase for the private sector to 3.9 % per annum and 4.0 % for all sectors.

It is anticipated that wage increases in 2010 will decrease to an average closer to 3.5% per annum due to a slower economy.

Wages - Annual Wage Review

The first Annual Wage Review under the *Fair Work Act 2009* was released on 3 June 2010. The decision provides for the following increases operative from the first full pay period on or after the **1 July 2010**.

1. The national minimum wage in the national minimum wage order will be \$569.90 per week or \$15 per hour. The hourly rate has been calculated on the basis of a 38 hour week for a full-time employee, consistent with s.62 of the Fair Work Act. This constitutes an increase of 69cents per hour on the transitional national minimum wage.
2. An increase of \$26 in all modern award minimum weekly wage rates. There will be proportionate increases in hourly minimum wages and annual salaries.
3. Junior employees and employees to whom training arrangements apply should receive the benefit of the increase.

Who does this increase apply to?

This increase applies to employees who are not subject to an enterprise agreement and are paid in terms of a modern award or are earning the minimum rate. In the circumstances of employees earning in excess of the modern award rates the increases are absorbed in any payments in excess.

If you have any questions or queries on this matter, please contact our office on 07 3831 7099

Enterprise Bargaining — Average Annualised Wage Increases

	September quarter 2009	December quarter 2009	Change in AAW I% Points
Wage agreements in the quarter			
All sectors	3.6%	4.0%	0.4
Private sector	3.7%	3.9%	0.2
Public sector	3.6%	4.2%	0.6

Summary of Wage Increases

Source of Increase	% Increase
Annual Wage Review (Minimum Rate)	4.7 %
Base Trade	4 %
Enterprise Bargaining (Private Sector Dec Quarter 2009)	3.9%
Consumer Price Index (March Quarter)	2.9%

Casual Conversion - Modern Award

The modern awards that contain a casual conversion clause that may affect Drayton's clients' from 1 July 2010 will be in the industries of;

- Asphalt Industry Award 2010
- Building and Construction General On-site Award 2010
- Concrete Products Award 2010
- Manufacturing and Associated Industries and Occupations Award 2010
- Road Transport and Distribution Award 2010
- Vehicle Manufacturing, Repair, Services and Retail Award 2010

It does not apply to clerical or retail awards

The conversion provision provides

- An employee who has worked 38 hours or more on a regular basis for a minimum of 6 months is to be offered the position on a full time basis.
- An employee who has worked less than 38 hours on a regular and continuous basis for a minimum of 6 months is to be offered a part time permanent position.
- The entitlement to conversion does not extinguish if the employer fails to offer the conversion. The employee after this date can still elect.
- The entitlement to conversion be exercised anytime after the 6 months, if the employee has previously elected to stay as a casual

Most enterprise agreements exclude the operation of a modern award and these provisions do not operate. The casual conversion provisions can be addressed by a new enterprise agreement. The conversion entitlement is to the award full time rate. If the current rate is in excess of the Award, there is no obligation to convert the higher rate.

Casuals – Dismissal

The *Fair Work Act 2009* provides unfair dismissal relief to casual employees, who have had regular and continuous employment on the following basis;

- 6 months for employees of employers with 15 or more employees
- 12 months to employees of employers with less than 15 employees

Fair Work Australia has determined that to clearly establish **regular and Systematic Employment** there must be sufficient evidence to establish that a continuing relationship between the employer and the employee has been established. This is clearly a reason why there is a legislative requirement for a reasonable expectation of continuing employment. Effectively the unfair dismissal laws are equal to full time, part time and casual employees.

Transitional Rates from 1 July 2010

The impact of a modern award system are as follows;

- If your company is already covered by an enterprise agreement or workplace agreement, then the base rate of the modern award will override the enterprise agreement if it is greater than the enterprise agreement. All other conditions of the enterprise agreement will remain.
- If you are currently under an award such as a state award, the Modern award will apply from the date of the order (1 January 2010 in most cases) for the rates of pay and conditions of employment.

There is a transitional period for wage rates between an employer's existing award and the modern award. The transitional increments are calculated at the rate of 20%, 40%, 60% and 80% of the difference between an existing award rate and the modern award. The employer must meet the minimum transitional requirements annually prior to the first full paid period on or after 1 July over the next four years.

LOOKING FOR EXPERIENCED STAFF?

- Save time and Money
- Avoid the cost of processing the applications



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The Civil Career labour pool now holds over 400 industry experienced applicants looking for work throughout Queensland. Civil Career is currently emailing summaries of available applicants each week to all listed CCF Members. Please contact us if you would like to receive our summaries.

When a contractor expresses interest in a certain candidate summary then Civil Career emails the candidate contact details and resumes to the contractor. Interviewing, selection and recruitment procedures will be carried out by individual contractors. Once a placement has been made the contractor advises Civil Career of the placement details.

When your next vacancies arise and you are thinking about running an advertisement, contact Civil Career and provide the details of the candidate sought. Avoid the cost of advertising and the administration of processing the applicants and answering calls.

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A joint initiative of the Civil Constructors Federation and Drayton's Workplace Consulting

FWA Approval Process Delayed

There are delays up to 6 months for the approval of enterprise agreements by Fair Work Australia (FWA). An enterprise agreement does not operate until 7 days after approval. In order, to ensure continuous 'in term' agreements covering works, then a commencement should occur in the final year of the agreement.

Improve Your Workplace – Contact Drayton's

Drayton's provides assistance to small and large companies in human resources and workplace relations. The services we can offer are as follows:

- Enterprise Agreements– This includes drafting, research on wage rates, negotiation and lodging agreements
- Salary and employment contracts including position descriptions
- Assistance with compliance for the National Code of Practice for the Construction Industry
- In house training on workplace issues of unfair dismissal and discrimination
- Wage and salary survey information
- Advice on employment matters

Contact Drayton's: Greg Power or Jo-Anne Webster

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