



AWARD MODERNISATION PROCESS

We recently provided information to you regarding the Award Modernisation process currently being undertaken by the Australian Industrial Relations Commission (**AIRC**). On 12 September 2008, the AIRC released 'draft' Awards for 14 priority industries.

The 'draft Awards are:

- Clerks – Private Sector Award 2010
- Coal Mining Industry Award 2010
- Higher Education Industry – Academic Staff – Award 2010
- Higher Education Industry – General Staff – Award 2010
- Horse and Greyhound Training Award 2010
- Hospitality Industry (General) Award 2010
- Manufacturing and Associated Industries and Occupations Award 2010
- Mining Industry Award 2010
- Racing Clubs Events Award 2010
- Racing Industry Ground Maintenance Award 2010
- Rail Industry Award 2010
- Retail Industry Award 2010
- Security Services Industry Award 2010
- Textile, Clothing, Footwear and Associated Industries Award 2010

To access the 'draft' Awards, simply log onto the AIRC website (www.airc.gov.au) and follow the Award Modernisation links.

It is important for employers to read the 'draft' Awards carefully to determine whether the scope of any of the above 'draft' Awards may apply to their business. The reason it is important is because the 'draft' Awards, once made, will act like common rule awards and apply to employers covered by the federal industrial relations system. As a result, it is important that employers start to understand how they may be required to employ their staff in the very near future.

To that end, the 'draft' Awards cover various, important topics including minimum rates of pay, arrangements for overtime and penalty rates, classification structures, redundancy pay, breaks and even the types of employment employees may be engaged in.

If your workforce does not fall within any of the above priority, 'draft' Awards then it is more than likely that the second and third stages of the Award Modernisation process will apply to you. Nonetheless, it is prudent for all employers to understand the topics to be covered in the Modern Awards and (if applicable) make submissions to the AIRC regarding the terms of the particular Modern Award.

The AIRC is encouraging all employers to participate in the consultation process. Without proper feedback and commentary from all affected parties, the AIRC will be left to make an Award without knowing the implication their decisions could have on your business.

The ramifications are large. For example, in the Private Sector Clerical Award the classification structure adopted by the AIRC is the classification structure currently in operation in South Australia. A further example of the practical impact is the minimum rate of pay contained in the Modern Award. The rate provided for in the Modern Award is less than the current rate of pay for clerical staff prescribed by the Notional Agreement preserves the terms of the State Clerical Employees Award. This means that if ultimately the 'draft' Private Sector Clerical Award is made, then those employers who are bound by that Modern Award will need to change their internal structure to meet the provisions of the Modern Award.

We encourage all employers to actively seek information regarding the Award Modernisation process. Our view is that, in practical terms, the outcome of the Award Modernisation process will have a significant (if not, the most significant) impact on the day-to-day management of employees since Federation.

An update summarizing the information recently released by the Honorable Julia Gillard MP will be issued in due course.

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