IN THE FAIR WORK COMMISSION

Matter No: AM2014/286

Section 156 - Four Yearly Review of Modern Awards

Supported Employment Services Award 2010

OUTLINE OF SUBMISSION

UNITED VOICE

- 1. This outline of submission is made pursuant to the direction of Vice President Hatcher of 10 July 2017 concerning the award stage review of the *Supported Employment Services Award* 2010 ('the Award') in the 4 yearly review of modern awards.
- 2. This outline is made in support of United Voice's proposed variation to clause 19.5 of the Award and the Commission review of the Award generally.

Background

- 3. The Award contains a provision at clause 19.5 which reads:
 - Where an employee with a disability is being paid less than \$450 per month in accordance with clause 14.4, contributions for such employees will be either 3% of their ordinary time earnings or \$6.00 per week whichever is the greater.
- 4. The provision deals with employees who but for the clause would have no entitlement to superannuation as the threshold for compulsory contributions by an employer under the Superannuation Legislation only arises when an employee earns more than \$450 per month.
- 5. The provision applies to employees whose wages will be subject to wage assessment under clause 14.4 of the Award. These employees will have a disability and may have varying types of disability including an intellectual disability and require a range of support needs. Further, while these employees may earn less than \$450 per month, their hours of work will not necessarily reflect the low income derived from their work as they will be paid at a heavily discounted hourly rate. Many of these employees will also be in receipt of a part disability support pension as they fulfil the eligibility criteria for this payment as the worker will have a permanent and diagnosed disability.

- 6. Australian Disability Enterprises ('ADEs') provide supported employment opportunities and current estimates place the size of the supported employment work force at around 20,000 employees. In 2012, the average hourly rate for workers with disabilities in supported employment was \$3.65 and the average number of hours worked per week was 24. More recent data obtained from the Department of Social Security estimates the current number of supported employees at over 20,000. Last financial year, the Department funded the support costs of 13,832 workers who had an average weekly wage of \$121.72 and an average hourly rate of \$5.6. In locations where the National Disability Insurance Scheme (NDIS) is operating, a further 5,539 supported employment workers are funded through the NDIS and also covered by the Award. We were unable to obtain data concerning the hours and hourly rate of this group of supported employees who are funded through the NDIS but have no reason to assume their profile would differ significantly from those funded through the Department. Accordingly, a significant proportion of the entire supported employment workforce likely to earn less than \$450 per month and will be covered by clause 19.5.
- 7. The clause has wide effect within the sector it is intended to cover.

The claim

8. On 6 October 2016, United Voice filed a draft determination which would insert a new clause 19.5 as follows:

Where an employee with a disability is being paid less than \$450 per month in accordance with clause 14.4, contributions for such employees will be either 9.5% of their ordinary time earnings or \$15 per week whichever is the greater.

- 9. Current legislation requires employers to make a contribution of 9.5% of an employee's wages to superannuation. \$15 from our modelling generates an amount of retirement savings that will be of real benefit to the employee and also appears to be an amount that equates to the level of benefit intended by the \$6 minimum contribution when it was set in the early 1990s.
- 10. In the statement of Martin Schutz from AustralianSuper, if the rate of contribution under clause 19.5 and its predecessors had been indexed to minimum wage increases: a \$6 contribution in 1993 would now be a \$15.49.⁵

About Australian Disability Enterprises, Department of Social Services, https://www.dss.gov.au/disability-and-carers-programmes-services-for-people-with-disability/about-australian-disability-enterprises.

² Australian Government, Inclusive Employment 2012-2022- A vision for supported, page 6.

³ Correspondence, Department of Social Security, 22 September 2017.

⁴ As above.

Statement of Martin Schutz, 25 September 2017, paragraphs 49 to 50.

- AustralianSuper is in the process of creating a distinct no insurance option for workers with a disability which will significantly increase retirement savings. At the time United Voice's claim was made in this award review, it was not clear whether this option would be able. The AustralianSuper no insurance option will be a division within AustralianSuper which is the default fund for the Award. Use of this option with any reformulated clause 19.5 does not require any amendment to the body of the Award. Our current advice from AustralianSuper is that AustralianSuper as the Award's default fund, it will be in a position to make the no insurance option the default option for employees in supported employment administratively as part of its internal administrative alignment of new and existing fund members into industry based divisions.⁶
- 12. We have also included a submission here concerning indexation. The dollar amount in any reviewed clause should be indexed and the indexation factor should be derived from the national minimum wage review increase each year.

Award history

- 13. The existence of an award based provision supplementing the general obligation of employers to make contributions to employees with disabilities' superannuation accounts can be traced to federal awards made with the involvement of United Voice's predecessors in the early 1990's
- 14. On 15 November 1991, the Federated Miscellaneous Workers Union Supported Employment Award (Flagstaff group) 1991 provided at clause 21(d))(iii):

Where a worker with a disability is being paid less than 80% of the full award wage in accordance ... the award contributions for such employees shall be either 3% of their ordinary time earnings or \$6.00 which ever is the greater.

- 15. In 1993, the superannuation guarantee amount was 3%.
- 16. A provisions in identical terms mandating a 3% payment or \$6.00 per week contribution (whichever is the greater) to the superannuation fund of a worker with a disability was included in the Australian Liquor, Hospitality and Miscellaneous Workers Union Supported Employment (Business Enterprises) Award 1993 and subsequent versions of this award.
- 17. Without any indexation or variation, the same provision continued as a provision in the *Liquor, Hospitality and Miscellaneous Union Supported Employment Services Award 2005* ('the LHMU Award'). The provision in the LHMU Award was the object of award modernisation in 2009 and formed the basis of the current provision in the Award.

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As above, para. 38.

Superannuation Guarantee (Administration) Act 1992.

- 18. During award modernisation, the sector covered by the Award was part of stage 4 of the award modernisation process.⁸
- 19. On 24 July 2019, the predecessor to United Voice, the Liquor, Hospitality and Miscellaneous Union, made a submission concerning the appropriate modern award regulation of supported employment services and provided a draft award. The draft provided contained clause 18.6 which was titled 'Employees with disabilities' and read:

Subject to the transitional provisions set out in clause XXX of this Award, where an employee with a disability is being paid less than 80% of the full award wage in accordance with clause 15.5, contributions for such employees will be either 9 per cent of their ordinary time earnings or \$6.00 per week whichever is the greater.

20. The initial exposure draft of the Award published on 25 September 2009 contained a provision in identical to the current clause 19.5 of the Award. The Commission in a statement accompanying the publication of the exposure draft noted:

[121] the award currently provides for superannuation contributions to be made for employees with a disability. Respondent employers contribute the greatest of 3% of an employee with disabilities' ordinary time earnings or \$6.00 per week for an employee being paid less than 80% of the full award wage. These contribution rates have not been increased since 1993. It will be appreciated that disability services employers not currently bound by the LHMU award are required to contribute to employees with disabilities' superannuation only when the \$450 monthly earnings threshold is triggered. It is noteworthy that wages paid under the modern award, when adjusted for an individual's assessed disability, will often be significantly lower than the minimum rates otherwise payable and that very many employees with disabilities are unable to attend to their duties for 38 hours weekly. Earnings will rarely be high and often quite low.

[122] National Disability Services agree to the 3% or \$6.00 level of contribution applying generally in the modern award but do not accept that the contribution level should be adjusted as sought by the ACTU and LHMU. Australian Business Industrial and Chamber of Commerce and Industry Western Australia (CCIWA) oppose the existing superannuation entitlement being extended beyond those to whom it currently applies. The exposure draft retains a 3% or \$6.00 per week

Statement – Award Modernisation- Stage 4 [2009] AIRCFB 641 (29 June 2009). For the archived records of consideration of the sector see generally: Health and welfare services (remainder) - Supported employment services;

http://www.airc.gov.au/awardmod/fullbench/industries/awardmodindustry.cfm?award=support ('Award Modernisation Webpage Supported Employment').

Statement – Award Modernisation [2009] AIRCFB 865 (25 September 2009).

obligation. We will be assisted by the parties' views as to how this matter might be further addressed, both as a matter of principle and as to the actual operation of the provision – conscious that in its present form there may be a capacity for disadvantage. Similar issues may arise in the operation of the supported wage system in open employment.

- 21. Subsequent submissions were polarised with some employers indicating that any modern award should not contain any provision creating an entitlement to superannuation contributions for disabled workers where the law did not mandate any contribution to superannuation and others broadly saying such a provision was a proper part of the modern award safety net.
- 22. The submission of Australian Business Industrial of 30 August 2009 observed:
 - 7.1 ABI continues to oppose the proposal by the LHMU to increase the minimum superannuation contribution for employees with disabilities who are paid less than 80% of the applicable award rate from "3% or \$6 per week" to "9% or \$6 per week".
 - The current pre-reform award provision was designed to provide a level of guaranteed superannuation contribution for employees with disabilities whose earnings would not qualify them for any superannuation contribution under the Superannuation legislation. It applies to employees who have no entitlement under the superannuation guarantee and for whom there is no guarantee contribution obligation on the employer. Most modern awards will apply to some employees within their coverage who do not have a guarantee entitlement, but there is no modern award standard to extend the guarantee to the boundaries of their coverage. A comparable employee (whether a person with a disability or not) earning the same amount of money each week in open employment under another modern award would not qualify for a superannuation contribution at all.
 - 7.3 The great majority of supported employment services operating across Australia are not currently respondent to the LHMU Supported Employment Services Award 2005 and therefore have no award derived obligation to make any superannuation contribution for employees who fall outside the superannuation guarantee. The provision will in its pre-reform award form add to most of these employers' costs.

- 7.4 There is no mandate in the Part 10A award modernization process, nor the Minister's request, to increase a condition which is already a distinctive increase on the minimum standard.¹⁰
- 23. The submission of the Australian Council of Trade Unions made on 16 October 2009 stated:
 - 168. As a matter of principle the ACTU believes that the percentage amount in the employees with disability superannuation clause must be increased to the current superannuation guarantee amount (9 per cent).
 - 169. In 1993 \$6 was equivalent to 54.7 per cent of the hourly rate (\$10.98) of the 1993 key classification (Tradesperson) rate of \$417.20. Retaining the original/existing ratio of the dollar figure to the key classification (Tradesperson) rate (\$16.78 per hour) increases the dollar figure in the clause to \$9 per week. 11

24. The ACTU further observed:

- 173. The Superannuation Guarantee \$450 threshold was introduced to exclude from an obligation on the employer to pay the Superannuation Guarantee cases of marginal attachment in which the employee worked so few hours per month that the benefit to the employee was outweighed by the compliance costs to the employer.
- 175. The ACTU believes this can be distinguished from cases in which employees with disability working regular hours earn below the threshold because they are in receipt of productivity/competency based wages. It is not the lack of hours or lack of attachment to the workplace but the assessed wage which excludes these employees from receiving superannuation.
- 176. The ACTU believes an argument can be advanced that if an employee, working at the job level and the hours of an employee with a disability, would be eligible for superannuation, the employee with a disability should also be eligible, notwithstanding their productivity/competency based wage. ¹²
- 25. United Voice supported the ACTU's proposal.
- 26. On 30 August 2009, the Commonwealth Government noted the diverse submissions made concerning superannuation for employees with disabilities and indicated that consideration should be given to an alternative proposal:

Submission of Australian Business Industrial, 30 August 2009, Award Modernisation Webpage-Supported Employment.

Submission of the ACTU, 16 October 2009, Award Modernisation Webpage- Supported Employment.

As above.

- that there should be no earnings threshold for employees with a disability employed under the proposed award, or
- that the earnings threshold is 'pro-rated' by reference to the productivity/competency based rate of pay of the employee as assessed under an approved wage assessment tool.¹³
- 27. The Commonwealth Government further noted that some employees with disabilities would have earnings that exceeded \$450 a month 'having regard to the hours they work, but for an assessment of disability.' The Commonwealth indicated it would be conducting consultations on the issue of ensuring that supported employees are able to transition effectively into retirement and that 'the Award will provide a key plank in releasing this vision. '15 This policy appears to have not been carried out.
- 28. On 4 December 2009, the Commission published its decision¹⁶ making the Award. The Commission generally with minor exception made an award that reflected the exposure draft and noted:

[93] In relation to superannuation, we have decided not to alter the provision, not adjusted for many years, whereby an employee with a disability being paid less than 80% of the full award wage has a superannuation contribution made of either 3% of ordinary time earnings or \$6.00 per week, whichever is the greater. This payment has relevance in this sector because significant numbers of employees with a disability earn less than \$450 per month. Mindful that many employers not currently bound by the award do make provision at varying levels for superannuation contributions for employees with a disability, we have concluded that the current provision should be included in the modern award. We have also noted the National Disability Services 16 October 2009 written submission, "...that the contribution level should not be adjusted at this stage" and the Parliamentary Secretary for Disabilities and Children's Services 30 November 2009 correspondence to the Commission, indicating that it was the Australian Government's intention to consult relevantly with stakeholders early in 2010. Should an application be made in the future for review of this provision it will be dealt with in the normal way.

Submission, Hon. Bill Shorten PM Parliamentary Secretary for Disabilities and Children's Services, 30 November 2009, Award Modernisation Webpage- Supported Employment.

As above.

¹⁵ As above.

Award Modernisation [2009] AIRCFB 945 (4 December 2009), at paragraph 90 onwards.

The statutory context

- 29. The consideration of United Voice's application to vary clause 19.5 is taking place within the 4 yearly review of the Award conducted by the Commission pursuant to section 156 of the Act.
- 30. Clause 19.5 is a provision of the Award that should be considered within the 4 yearly review. Division 4A of the *Fair Work Act* (2009) ('the Act') which deals with the 4 yearly review of default funds is not relevant. Clause 19.5 is not part of the Award's default fund arrangements. The clause creates an entitlement that is supplementary to the general obligations of employers to contribute to an employee's superannuation. Clause 19.5 is a term in aid of the modern awards object and adapted to the unique situation employees engaged in supported employment and is directed not sections 149C and 149D of the Act which specifically mandate a default term within all modern awards concerning a superannuation fund. Clause 19.5 and our proposed variation rely on the existence of a default fund but doesn't deal with the substance of the default fund arrangements of the Award.
- 31. The Commission has broad discretion as to the conduct of the 4 yearly review. Each modern award must be reviewed in its own right and the Commission must ensure that the modern awards objective is achieved, which is that the modern awards, together with the National Employment Standards ('the NES'), provide a fair and relevant minimum safety net of terms and conditions, taking into account the considerations set out in section 134(1) (a) to (h) of the Act.
- 32. The Penalty Rates Full¹⁷ bench has observed:
 - [110] The Review is to be distinguished from inter partes proceedings. Section 156 imposes an obligation on the Commission to review all modern awards and each modern award must be reviewed in its own right. The Review is conducted on the Commission's own motion and is not dependent upon an application by an interested party. Nor is the Commission constrained by the terms of a particular application.35 The Commission is not required to make a decision in the terms applied for (s.599) and, in a Review, may vary a modern award in whatever terms it considers appropriate, subject to its obligation to accord interested parties procedural fairness and the application of relevant statutory provisions, such as ss.134, 138 and 578.
- 33. This Penalty Full Bench further condensed 4 general propositions that apply to the consideration of an award within the 4 yearly review as:
 - (i) The Review is broader in scope than the Transitional Review of modern awards completed in 2013.

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¹⁷ [2017] FWCFB 1001.

- (ii) In conducting the Review the Commission will have regard to the historical context applicable to each modern award.
- (iii) The Commission will proceed on the basis that prima facie the modern award being reviewed achieved the modern awards objective at the time it was made.
- (iv) Variations to modern awards should be founded on merit based arguments. The extent of the argument and material required will depend on the circumstances.¹⁸
- 34. The issue of whether or not a term like clause 19.5 should form part of the safety net created by the Award was determined during award modernisation. Some employers expressly indicated that clause 19.5 was not relevant to the safety-net and sought its exclusion from the modern award. We have already quoted the view of Australian Business Industrial at paragraph 12 which most clearly put the case that such a provision had no place in a modern award. This approach was clearly rejected by the then Australian Industrial Relations Commission during the making of the Award. There is no reason to question now the importance of clause 19.5 as part of the Award's safety net.¹⁹
- 35. This review should proceed on the basis that the clause is a component of the safety net for employees with disabilities and should be reviewed so that it provides an entitlement which is a genuine and real benefit to the vulnerable group of employees it covers. The issue for this review is not whether the Award should contain a provision like clause 19.5 but the provision's effectiveness in providing access for employers with a disability to the superannuation system. Clause 19.5 is not unique and there are other provisions of modern awards that supplement employee's superannuation entitlements.²⁰

Merit considerations

- 36. Clause 19.5 is no longer appropriately adapted to current circumstances and is failing to provide a genuine and real benefit to the employees it is designed to assist. This Commission needs to deal with the obsolescence of the clause in this review.
- 37. Beside the overarching consideration that the provision assists in ensuring a fair and relevant minimum safety net of terms and conditions for workers with a disability, there are a number of considerations within the modern awards objective that are relevant. The provision assists with relative living standards and the needs of the low paid (a); the need to promote social inclusion

Award Modernisation [2009] AIRCFB 945 at {93].

Clause 28.2 of the *Hospitality Industry (General) Award* 2010 provides that an employer must make contributions for each employee where the employee earns more than \$350 per month.

- through increased workforce participation (b) and the principle of equal remuneration for work of equal or comparable value (e).
- 38. The fundamental purpose of clause 19.5 is to assist employees with disabilities who may have a working life, and hours, very similar to other Australian workers but have no access to the capacity to build an amount of retirement savings through the superannuation system. Clause 19.5 gives this group access to the superannuation system that is designed to have universality. The clause necessarily takes into account the context of this group's employment which is that their income is reduced by wage assessment. The participation in work of these workers is often significant and not reflected in their remuneration.
- 39. The most compelling merit reason for review of the provision is that it deals with a financial entitlement which has not been indexed or varied since at least 1993. The fact that the amount or proportion of the contribution provided for under clause 19.5 has not been varied for over 20 years has resulted in the obsolescence of the benefit. Due to rising costs and fees, this provision of the Award is providing no real benefit to the employees it is designed to assist.
- 40. As noted in the statement of Martin Schutz at [32]:

Our calculations indicate that for employees engaged in supported employment with levels of contributions of around \$6 per week, the default insurance premiums would absorb **all** super contributions made for the employee over a working life and leave a negligible balance on retirement.

- 41. The MySuper reforms compounded the problem and limited opportunities for a no insurance product to be offered to persons covered by clause 19.5.
- 42. United Voice's proposal would lead to an accumulation of an amount of retirement savings that will be of some real and practical use. It is not unreasonable to characterise current arrangements as principally providing a benefit to the financial services industry as an entirely inappropriate proportion of contributions and earnings are consumed by fees and charges.
- 43. A further consideration is that the National Disability Insurance Scheme ('NDIS') will not apply to people aged 65 and over.²¹ While the precise scope and dimension of the NDIS is still uncertain and its interaction with workers with a disability covered by clause 19.5 is unclear, it is reasonable to assume that more security in retirement for workers with a disability is appropriate when the comprehensive assistance scheme designed for their special needs is clearly stated as ceasing when retirement age is reached.

Fact Sheet, The National Disability Insurance Scheme for People 65 and over, NSW Government.

44. More generally there is no sound policy reason to exclude in a practical sense disabled workers from the superannuation system which is designed to give workers generally greater security in retirement.

Indexation

- 45. As noted in the witness statement of Martin Schutz, if the minimum contribution mandated by clause 19.5 is indexed with assumed wage inflation, there is a significant increase in retirement savings. 22 More generally, the fundamental problem that we say is presented to the Commission concerning clause 19.5 and which requires intervention in this review is obsolesce created by the contribution amount not being varied since 1993. Further, in the Australian superannuation system, the contribution by the employer is tied to wages and therefore contributions generally vary in accordance with increases and decreases in the nominal amount of wages earned.
- 46. There is no sound reason why employees who derive their entitlement to a contribution to their superannuation through clause 19.5 should not similarly have the level of contribution tied to some measure of wage inflation. The fixed dollar amount should be indexed.
- 47. The percentage should be increased to 9.5% to maintain parity with the current mandated percentage. It is less straightforward to index this figure. The general percentage contribution is legislated to increase but any increase is likely best achieved through a specific award variation. Such an increase should be clearly foreshadowed in this review. We would also say that it is an appropriate task for the Commission to be responsible for.
- 48. The annual wage review conducted by the Commission under Part 2-6 of the Act has, in its recent reviews of the national minimum wage, determined that any adjustment should flow through to employees with disabilities through the operation of the Supported Wage System Schedule (SWSS) within the Award²³ and two special minimum wages for award/agreement free employees with disabilities. Section 285 of the Act allows the Commission to review and set modern award minimum wages and the national minimum wage. The adjustments of the SWSSS and the 2 special national minimum wages relate to employees in open and supported employment under the Award.²⁴ The adjustment factor applied is the increase of the national minimum wage as determined.
- 49. The minimum contribution set by the Award under clause 19.5 should be indexed at the rate of the national minimum wage, namely the percentage adjustment to modern award minimum wages made by the annual wage review panel each year. There is no specific capacity to vary the amount required to be paid to superannuation under the Commission's powers in relation to the minimum wage but there is no reason why a provision requiring indexation and variation with the national

Statement of Schutz, para. 58.

²³ Annual Wage Review 2015-16 [2016] FWCFB 3500 at [712] to [714].

As above at [650] to [652].

- minimum wage cannot be added to clause 19. Provisions requiring the automatic adjustment of expense related allowances are common place in modern awards.²⁵
- 50. While a uniform adjustment to the national minimum wage is not the necessary result of the annual wage reviews under Part 2-6, the making of a uniform adjustment to minimum weekly wages and the determination of a percentage increase is a consistent recent practise of the Commission under this Part. It is an identifiable indexation figure that can and should be applied to amounts that are related to wages.
- 51. Accordingly in any varied clause 19.5, there should also be inserted an indexation provisions which should read:

19.6 At the time of any adjustment to the minimum wages required to be paid under this award, any fixed amount required to be paid under clause 19.5 will be increased by the relevant adjustment factor applied to minimum wages.

Transitional arrangements

- 52. Articulated opposition to an increase in the employer contribution has generally been expressed on the basis of employers' capacity to pay and that any increase is not budgeted for. There are processes both internal and external whereby ADEs can and should have to accommodate changes in their labour costs. Complaints about unbudgeted for increases in labour costs should be assessed in the context that this particular labour costs has remained unchanged since 1993, in a practical sense decreased and the general obligation of employers to make a much larger pro rata contribution to employees earning above the \$450 per month threshold has increased significantly since 1993.
- 53. The Commission has a broad discretionary power to make transitional arrangements as an incidence of its powers provided by the Act to implement the modern award objective.²⁶
- 54. It may be appropriate to include in any proposed variation to the minimum contribution mandated by clause 19.5 a transitional arrangements but this should not affect the fundamental need to this provision to be updated.

United Voice

25 September 2017

See for example, clause 15.8 of the Award. The dollar amount of the Award's meal allowance is routinely varied with the national minimum wage increase.

⁴ yearly review of modern awards -Penalty rates-Transitional Arrangements [2017] FWCFB 3001 at [58].

BEFORE THE FAIR WORK COMMISSION

MATTER NO. AM2014/286

Supported Employment Services Award 2010

Statement of Martin Schutz

- I, Martin Schutz, Stakeholder Relations Manager, AustralianSuper say:
- 1. I am employed as a Stakeholder Relations Manager with AustralianSuper
- 2. I have been employed with AustralianSuper for 9.5 years.
- 3. I hold a Diploma in Financial Services, a Bachelor of Arts (Honours) and a Graduate Diploma in Policy and Research.
- 4. My role entails providing general advice and information to stakeholders and members relating to superannuation in general, and AustralianSuper products specifically.
- 5. I have obtained assistance from actuaries employed by AustralianSuper in the making of the tables and the projections produced in this statement.

Employees' rights to superannuation

- 6. Employees' entitlements to superannuation were established in a series of superannuation awards in the 1980's. The awards followed a decision in the September 1985 National Wage case which directed that a 3% pay rise be paid into superannuation. The superannuation awards provided for an entitlement of 3% of the employee's ordinary hours of pay to be made as a contribution for their benefit into their superannuation account.
- 7. On 1 July 1992, the Superannuation Guarantee Act came into force, which provided that 3% of ordinary hours pay be contributed to superannuation by an employer on behalf of their employees for all employees earning over \$450 per month, and over 18 (or under 18 but working over 30 hours per week) of age. This is known as the Superannuation Guarantee. The Superannuation Guarantee has been progressively increased and reached 9% in financial year 2002-3, 9.25% in 2013/14 and 9.5% in 2014/5.
- 8. Further contributions are currently legislated to increase to 10% on 1 July, 2021, to 10.5% on 1 July 2022, 11% on 1 July 2023, 11.5% on 1 July 2024 and to 12% on 1 July 2025.

The Australian Superannuation System

- 9. The Australian superannuation system is predominately an accumulation system.
- 10. When an employee commences employment, their employer is under an obligation to contribute a percentage of the employee's wage or salary to an accredited superannuation fund. That superannuation fund holds the contributed funds in trust for the employee, and invests those funds either in accordance with instructions provided by the employee, or in the 'default' investment option nominated by the fund trustees.
- 11. The employee will have an account created for him or her and over time that account will have contributions and earnings from the investment credited to it, as well as costs such as administration, management fees, and insurance premiums deducted from it.
- 12. The balance of the account, and thus the funds the employee can use for their retirement, will be determined by the amounts added to the account over the employee's working life (such as contributions and earnings), less the amounts deducted from the account, which can include fees, insurance premiums, negative earnings (losses), tax and any approved withdrawals granted on compassionate or financial hardship grounds.

Default arrangements

- 13. In the superannuation industry, default arrangements generally apply to employees where the employee does not chose a superannuation fund or particular investment option. The employer will submit contributions to a default fund that has been selected by the employer, or is nominated in the relevant modern award or enterprise agreement. The default fund will open an account in the name of the employee, receive and invest the contributions in an investment option and provide a level of insurance cover as determined by the fund's Trustees. In AustralianSuper, once an account is opened for an employee, they become a member of the fund.
- 14. A significant proportion of employees do not exercise choice of fund when they commence employment with an employer. Consequently they are placed into a default fund by the employer. In relation to award covered employees such a default fund may be selected from funds named in a modern award or it may be a fund that the business has been using prior to September 2010. Alternatively it may be specified in an enterprise agreement or contract of employment.
- 15. Since 1 January 2014, employers are only allowed to pay default superannuation contributions to an authorised MySuper product. A MySuper product is one which is formally authorised by the Australian Prudential Regulation Authority ('APRA'), complies with the MySuper rules in relevant legislation, includes a single investment option and provides a minimum level of insurance cover.

16. Most employees do not choose the investment option(s) that apply to the funds contributed into their superannuation account. Consequently they are placed into the default option as determined by their superannuation fund trustees.

Contributions

17. Compulsory employer contributions are currently set at 9.5% of ordinary time earnings. Thus for someone on the minimum wage of \$18.29 per hour, the weekly contribution would be \$66.02 on the 38 hour week.

Fees

18. Different funds set different fees. AustralianSuper fees are currently set at \$1.50 per week for administration fees, which are deducted directly from the member's account. In addition, there is an investment management fee that affects the balance of the account. For the 2016/17 financial year the investment management fee for our default investment option was calculated as 0.74% of the funds being managed. AustralianSuper's investment management fee is based on the costs incurred by the fund, and is deducted from the investment earnings prior to those earnings being credited to the member's account. However, these fees change from time to time, and investment management fees are determined in arrears from year to year to reflect the investment costs of the fund.

Insurance premiums

- 19. Under the MySuper reforms, funds are required to provide a basic level of insurance cover to their members. It is common for superannuation funds to provide insurance cover for death and total and permanent disability insurance. AustralianSuper also provides income protection insurance.
- 20. An individual can choose which insurance arrangements they would like to have as part of their superannuation.
- 21. Default arrangements apply to a basic level of insurance cover. Most employees do not select the insurance arrangements that they wish to have applied to them. Consequently, they are given default insurance cover as determined by their fund's trustees.
- 22. Insurance premiums are deducted from the balance of funds in the employee's account to pay for the insurance cover provided unless the employee elects to opt out of the insurance arrangements.

- 23. Funds offer members a range of cover that employees can choose from, and also set a level of cover as the default level to apply to those members that do not choose their insurance cover. Different funds set different levels of default cover. Generally, the premiums for a given amount of insurance cover will rise as the member gets older, so the structure of default cover may change depending on the age of the member. Both the level of cover and the cost of cover may vary depending on the age of the member.
- 24. AustralianSuper provides a relatively low level of cover with low fees when the member is young. As the member's age increases both the level of cover and the cost of the premium will increase, until at 50 years of age the member's level of cover will be decreased to reduce the cost of the insurance premiums.

Proposed new Insurance arrangements for the supported employment sector

- 25. As explained above, there are a number of factors that determine the employee's superannuation balance at retirement, and the potential income stream such a balance may generate. These are a combination of the amounts contributed to and earned by the account, and the amounts withdrawn from the account for costs such as fees, tax and insurance premiums.
- 26. Most employees in the supported employment sector do not make an active choice to select their superannuation fund, their investment option or their insurance arrangements.
- 27. Consequently, most employees are in the default investment option and the default insurance arrangements are applied to them. This will include paying premiums for insurance that may be of limited utility.
- 28. Prior to the MySuper reforms, AustralianSuper provided a product to the supported employment sector which only provided a minimum level of death cover, but did not provide for total and permanent disability insurance or income protection as part of the default arrangements. Individuals could still choose such cover if they wanted.
- 29. The MySuper reforms mandated minimum insurance levels in relation to death and total and permanent disability insurance for all members who were defaulted into a MySuper product. Members are then given the option to opt-out of insurance. As such any new member who did not make a choice as to where they wanted their superannuation contributions to be paid was defaulted into a MySuper authorised fund with insurance cover.
- 30. Concerned that this measure was negatively impacting on some members already modest balances, AustralianSuper sought legal advice regarding the minimum insurance level

- requirement. We were advised that the Trustee may make changes to minimum default insurance for specific groups of members where, in the trustee's view, it is reasonable to do so, and taking into account the duties of a trustee to consider a member's best interests.
- 31. Due to the low level of contributions provided for most employees in supported employment sector, the combination of fees and insurance premiums can significantly erode superannuation balances.
- 32. Our calculations indicate that for employees engaged in supported employment with levels of contributions of around \$6 per week, the default insurance premiums would absorb all super contributions made for the employee over a working life and leave a negligible balance on retirement.
- 33. Given that most employees in supported employment also rely on the disability pension, substantial sectors of the industry, employees and carers have expressed the view that the provision of insurance with the default option is not appropriate as it serves to detract from superannuation balances and provides no benefit to the insured.
- 34. To date, AustralianSuper has been dealing with this issue by working with individual employers and their employees to identify members for whom the current default insurance arrangements are not appropriate, offering them the opportunity to retrospectively change or cancel their insurance cover and refunding all insurance premiums deducted from their accounts since the introduction of our MySuper product and related regulation.
- 35. In relation to total and permanent disability cover and income protection cover, for a disabled employee receiving a full or part disability support pension, these insurances are dealing with contingencies that have already been realised and are being dealt with within the disability support pension scheme.
- 36. While death cover can be appropriate to such disabled employees, there is a cost associated with such premiums which will still have a significant negative impact on the member's account balance.
- 37. When no insurance premiums are deducted from the account, the employee will have a substantially higher balance in retirement, and in the event of the employee's death, the balance of their superannuation would be allocated to their beneficiary. In many cases, a balance accumulated without having to pay insurance premiums for their working life, which increase significantly as the worker ages, will be of greater or equivalent value to any insured death benefit. It is for this reason that we consider the complete exclusion of insurance an appropriate option in terms of the size of these employees' balances and their level of contribution.

- 38. AustralianSuper is developing a new product to be offered to businesses and members in this sector which will provide for zero insurance as the default offer. This product will be called 'Super Only', and will be available from November 2017. 'Super Only' will be available as a default product in AustralianSuper for the disability sector. New members covered by the SES Award will be allocated to 'Super Only' as the default super option for supported employment and this will not require any amendment to the Award.
- 39. Under this model, new individual members will not automatically be provided with any insurance cover. Thus there will be no insurance premiums deducted from their account.
- 40. All members will be offered the option of taking out insurance cover for death, TPD (total and permanent disability) and income protection. Employees will still be able to insure themselves against these events should they choose to do so.
- 41. The standard insurance rates will apply, that is the insurance premiums will be the same as for all other AustralianSuper members. Premiums will vary depending on age, occupational rating and level of cover provided.
- 42. Once the Super Only option is available, AustralianSuper will invite all employers in the supported employment and the disability sector to convert to the Super Only product where it is the appropriate option for the employee. The disability sector is diverse and contains employees in open and supported employment. The Super Only product is principally intended to be used by employees in supported employment.

Supported Employment Services Award 2010 - clause 19.

- 43. The Supported Employment Services Award 2010 ('the SES Award') provides for superannuation arrangements at clause 19.
- 44. Clause 19.4 provides that where an employee does not choose their super fund, the employer must pay contributions to either AustralianSuper or another fund to which the employer was making superannuation contributions for the benefit of its employees before 12 September 2008, provided the superannuation fund is an eligible choice fund (*i.e.* MySuper authorised).
- 45. Clause 19.4(a) lists Australian Super as the only default superannuation fund in the Award.
- 46. Clause 19.5 provides that where an employee with a disability is being paid less than \$450 per month in accordance with clause 14.4, contributions for such employees will be either 3% of their ordinary time earnings or \$6.00 per week whichever is the greater. Clause 19.5 applies to employees who would not have an entitlement to have their employer contribute to their superannuation and is designed to deal with the unique situation of employees under the SES Award.

Supported Wage system - Retirement Incomes scenarios

- 47. AustralianSuper was asked to model a number of scenarios to identify the likely amounts of superannuation that would be accumulated over a working life based on different levels of contributions, and the level of retirement income that such different levels of contributions could provide.
- 48. Calculations have been undertaken by the Actuarial Consulting Team within our Group Strategy and Performance ('GSP') unit.
- 49. The current minimum rate of superannuation contributions under the SES Award is \$6 per week. I have been informed that this rate was set in 1993. Since that time average weekly earnings have increased by 158%, as calculated by using the Australian Bureau of Statistics publication "6302.0 Average weekly Earnings Australia" Full Time Adult Ordinary Time Earnings (All Industries) rate of \$597.80 per week in May 1993 and \$1543.20 per week in May 2017.
- 50. Under normal circumstances, a person's superannuation contribution increases over time as their income increases with inflation and pay rises (eg the increase in AWOTE (Average Weekly Ordinary Time Earnings) over time), and as the level of superannuation contributions increases (eg from the 3% mandated in 1993 to 9.5% today). In this case the contribution rate in clause 19.5 has remained at \$6 or 3%, whichever is the greater.
- 51. If the minimum contribution rate had been or were to be increased in line with movements in average weekly ordinary time earnings (AWOTE) it would now be \$15.49.
- 52. The Actuarial Consulting Team has produced calculations for two different scenarios.
- 53. Scenario 1 is for a situation in which the minimum contribution once set is maintained for the 40 year period and never increases. This means that future contributions have their real value eroded over time due to the effects of inflation.
- 54. Scenario 2 is for a situation where fees, inflation and the minimum contribution levels all increase in line with wage inflation, which is assumed to be 3.5%. Thus final contribution balances and retirement incomes can be presented in today's dollars adjusted for wage inflation.
- 55. In order to undertake the calculations for these scenarios the following assumptions have been adopted:
 - A working life is assumed to be 40 years
 - Income in retirement is assumed to be over 25 years
 - Investment returns pre and post retirement (net of investment fees and tax) are assumed to be 6.5%pa and 5.5%pa respectively
 - AustralianSuper weekly administration fees of \$1.50 per week are also assumed to increase in nominal terms over the course of the projection; in retirement an additional annual fee of 0.11% of account balance (max \$750 a year) is applied.
 - Insurance premiums are assumed to be zero.

- The member is assumed to be a low income earner and is entitled to the full Low Income Superannuation Tax Offset*
- Projected retirement balances and income amounts are expressed in today's dollars by discounting at 3.5%pa (the assumed rate of future wage inflation).
- Income in retirement allows for minimum drawdown rules
- Disability support pension/Age Pension is that applying as at 25 August 2017
- Note that no contributions tax is payable on these contributions due to the operation of the Low Income Superannuation Tax Offset

Scenarios - Balance after 40 years

Scenario 1

56. This scenario seeks to estimate the likely superannuation account balance in today's dollars for weekly superannuation contribution levels of \$6 (the current minimum level), \$11.50 and \$15.00. As noted previously, contribution levels remain fixed at these levels while in contrast administration fees increase in line with future assumed wage inflation of 3.5%

Weekly Super	Min \$6 per week super	\$11.50 per week super	\$15 per week super
Super per week after fees	\$4.50 per week after fees (in first year only)	\$10 per week after fees (in first year only)	\$13.50 per week after fees (in first year only)
Total annual super (1st year)	\$235	\$522	\$704
After 40 years			
Total deposits	\$5,900	\$17,400	\$24,700
Total interest	\$28,900	\$69,400	\$95,200
Total Net Balance at Retirement (in 40 years)	\$34,800	\$86,800	\$119,900
Total Net Balance (in today's dollars)	\$8,800	\$21,900	\$30,300

Table 1 above: Estimated superannuation account balance in today's dollars for weekly superannuation contribution levels of \$6 (the current minimum level), \$11.50 and \$15.00.

57. By way of example, under our assumptions that the contribution rates do not change the \$6 weekly contribution will reduce to \$4.50 (after application of AustralianSuper's \$1.50 weekly fee). As the member is assumed to be a low income earner, no contributions tax is payable (it is paid initially and then refunded by means of the Low Income Superannuation Tax Offset). Operation of our assumptions results in a retirement account balance in 40 years' time of \$34,800. In today's dollars this equates to \$8,800.

Scenario 2

58. Scenario 2 assumes the weekly contribution levels increase in line with assumed wage inflation of 3.5%, the same as future administration fees. Under this scenario, contributions maintain their value in real terms by being pegged to inflation.

The net balances at retirement in Scenario 2 are higher than those in Scenario 1 as the member has the benefit of the contribution rate increasing each year to offset the impact of inflation.

Weekly super	Min \$6 per week super	\$11.50 per week super	\$15 per week super
Super per week after fees	\$4.50 per week after fees (in first year only)	\$10 per week after fees (in first year only)	\$13.50 per week after fees (in first year only)
Total annual super (1st year)	\$235	\$522	\$704
After 40 years			
Total deposits	\$19,900	\$44,100	\$59,600
Total interest	\$49,200	\$108,500	\$146,200
Total Net Balance at Retirement (in 40 years)	\$69,100	\$152,600	\$205,800
Total Net Balance (in today's dollars)	\$17,500	\$38,500	\$52,000

Table 2 above: Estimated superannuation account balance assuming the weekly contribution levels increase in line with assumed wage inflation of 3.5%, the same as future administration fees.

Scenarios - Current Income compared with projected retirement income

59. This scenario estimates the likely total weekly income that a member may earn should they convert their retirement lump sum to a superannuation income stream. It compares the current weekly minimum income of an employee earning \$82 per week plus the disability pension (in column 1), with the income of that employee in retirement using the different retirement balances based on the contribution rates of \$6, \$11.50 and \$15 as established in the previous section plus the Age Pension in (columns 2). All calculations are in today's dollars for ease of comparison. As the Disability support pension and the age pension provide the same rate of income, and the rate of return and fees on the investment are the same, the difference comes down to the level of contribution.

Scenarios - Income - current v projected retirement

60. Scenario One – Contribution remains fixed but wage inflation and fees increase by 3.5% per year

	Current	Retirement scenario \$6	Retirement scenario \$11.50	Retirement scenario \$15
Disability Support Pension (single)	\$444.15			
Age Pension (single)		\$444.15	\$444.15	\$444.15
Weekly income	\$82.00			
Super balance		\$8,800	\$21,900	\$30,300
Super income stream		\$6.75	\$19.65	\$27.85
Total weekly income	\$526.15	\$450.90	\$463.80	\$472.00
Total annual income	\$27,454	\$23,527	\$24,200	\$24,628

Table 3 above: An estimate of the likely total weekly income that a member may earn should they convert their retirement lump sum to a superannuation income stream where their contribution remains fixed but wage inflation and fees increase by 3.5% per year.

61. Scenario Two - fees, contributions and inflation all increase by 3.5% per year¹

	Current	Retirement scenario \$6	Retirement scenario \$11.50	Retirement scenario \$15
Disability Support Pension	\$444.15			
Age Pension		\$444.15	\$444.15	\$444.15
Weekly income	\$82.00			
Super balance		\$17,500	\$38,500	\$52,000
Super income stream		\$15.40	\$35.85	\$48.90
Total weekly income	\$526.15	\$459.55	\$480.00	\$493.05
Total annual income	\$27,454	\$23,979	\$25,046	\$25,727

Table 4 above: An estimate of the likely total weekly income that a member may earn should they convert their retirement lump sum to a superannuation income stream where fees, contributions and inflation all increase by 3.5% per year.

- 62. The above 2 tables illustrates a number of points:
- 63. In retirement, the Disability Support Pension will be replaced dollar for dollar by the Age Pension, so income from social security remains the same.
- 64. Under the current weekly superannuation contribution rate of \$6 (with no future increases), but assuming future wage inflation of 3.5%pa, the member can expect their weekly income (minimum \$82) to reduce to \$6.75 in retirement in value equivalent to today's dollars.

¹ Notes

All figures are expressed in today's dollars

The 2 columns labeled 'Current' denotes assumed current income of a supported employee earning the SES Award minimum of \$82 per week and then \$120 per week.

In relation to the disability support pension and the age pension, the amounts are the weekly entitlement of a single person as of 1 July 2017.

- 65. Increasing the weekly superannuation contribution over a working life from \$6 to \$11.50 and \$15 would have the effect of increasing weekly income in retirement from \$6.75 to \$19.75 and \$27.85 respectively
- 66. If we assume that contributions also increase in line with fees and wage inflation at an assumed rate of 3.5%pa, there is an improvement in retirement outcomes.
- 67. At the current \$6 level, future weekly income in retirement would increase to \$15.40 per week. With a contribution level of \$11.50 it would increase to \$35.85 per week, and with a weekly contribution level of \$15 the retirement income level would reach \$48.90.
- 68. This represents a replacement income from super for wages of around 60% (currently 19% at the \$6 contribution level).

Martin Schulz

Date: 25/9/2017

5

AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

s.99 Industrial Relations Act 1988 notification of industrial dispute

The Federated Miscellaneous Workers Union of Australia

and

Endeavour Foundation and others (C No. 20680 of 1991)

FEDERATED MISCELLANEOUS WORKERS UNION SUPPORTED EMPLOYMENT AWARD (FLAGSTAFF GROUP) 1991

Flagstaff group employees

Health and welfare services

DEPUTY PRESIDENT MACBEAN

SYDNEY, 15 NOVEMBER 1991

CONSENT AWARD

SECTION 1 - ADMINISTRATION OF AWARD

1 - TITLE

This award shall be known as The Federated Miscellaneous Workers Union Supported Employment Award (Flagstaff Group) 1991.

2 - ARRANGEMENT

Section 1	Administration of award		Clause
	Area and incidence		3
	Arrangement		2
	Grievance procedure		7
	Leave reserved		9
74 (E) s	No extra claims		8
	Operation of award		5
	Parties bound and		4
	Union rights		6
	Title		1
Section 2	<u>Employment</u>		Clause
	Contract of employment	17	10
¥	Hours of work		14
	Introduction of change		12
4	Preference of employment		15
	Redundancy		13
	Termination of employment		11

PEDERATED MISCELLANEOUS WORKERS UNION SUPPORTED EMPLOYMENT AWARD (FLAGSTAFF GROUP) 1991 [F171]

Section 3	Remuneration and Advancement	Clause
	Allowances Overtime and meal allowance Payment of wages Wage rates Public holiday Superannuation	20 18 16 17 19 21
Section 4	Leave	Clause
	Annual leave Bereavement leave Long service leave Parental leave Sick leave entitlement Special leave	22 26 25 24 23 27
Section 5	Training	Clause
	Trade union training Training committee	29 28
Section 6	Health and Safety	Clause
	First aid Health and safety committee Non smoking policy Protective uniform clothing and equipment Rehabilitation	33 30 31 32 34
Section 7	General	Clause
	Amenities	35

Schedule A Classifications

3 - AREA AND INCIDENCE

This award shall govern the wages and conditions of employment of all persons engaged in the performance of all work in or in connection with, or incidental to a "prescribed organisation", "eligible organisation" or "eligible service" as defined by the <u>Disability Services Act 1986</u>, (as amended) which operates a business enterprise which employs able body workers and people with disabilities in an supported employment setting in either a workshop, enclave or work crew.

4 - PARTIES BOUND

(a) This award shall be binding upon The Federated Miscellaneous Workers Union of Australia, its officers and members and upon the Flagstaff Industrial and Commercial Services Group Limited in respect of every person employed by them under the terms of this award, whether members or not of the union, except for persons who hold executive and management positions who are not covered by the classification structure contained within this award.

3

FEDERATED MISCELLANEOUS WORKERS UNION SUPPORTED EMPLOYMENT AWARD (FLAGSTAFF GROUP) 1991 [F171]

4 - Parties bound - contd

- (b) For the purposes of this award:
 - (i) "Union" means The Federated Miscellaneous Workers Union of Australia.
 - (ii) A "worker with a disability" means a person who is permanently incapacitated. Such incapacity may be intellectual, physical, sensory and/or psychiatric, such that they are eligible to claim a disability allowance or pension.

A worker with a disability shall not include a person being rehabilitated as a result of a workers compensation claim, which has not been finalised.

5 - OPERATION OF AWARD

This award shall come into force and operate from the first pay period on or after 16 October 1991 and continue in force for a period of twelve months.

6 - UNION RIGHTS

Right of entry

(a) The secretary of branch secretary of the Federated Miscellaneous Workers Union of Australia or any person authorised in writing by the union, shall have the right to enter the employers premises during its hours of operations for the purpose of interviewing employees or inspecting time and/or wages records of any kind, provided that the official does not unduly interfere with the workings of the establishment.

Union business

- (b) (i) An employee appointed union delegate in the branch in which he or she is employed shall upon notification thereof to the employer, be recognised as the accredited representative of The Federated Miscellaneous Workers Union of Australia, and he or she shall be allowed the necessary opportunity during work hours to interview the employer or the employer's representative on matters affecting employees whom he or she represents and approach employees regarding union matters.
 - (ii) The employer shall supply a notice-board in a prominent position in the employer's establishment for the use of the union and its delegates.

A current copy of this award shall be permanently placed on or near such notice-board.

Time and wages records

(c) The time and wages record shall be open for inspection to a duly accredited union official during the usual office hours at the employer's office or other convenient place.

6 - Union rights (c) - contd

A duly accredited official of the union, making an inspection of time and/or wages records shall be entitled to take a copy or copies of entries made in those records relating to a suspected breach of the award. Provided that an inspection shall not be demanded unless an authorised official of the union suspects that a breach of this award has been committed.

7 - GRIEVANCE PROCEDURE

- (a) (i) The parties agree that the employer shall foster an atmosphere in which employees feel free to make complaints in the knowledge that they will be dealt with sympathetically. It is essential that matters be investigated until the seriousness or otherwise is established and the complainant is satisfied with the investigation.
 - (ii) In cases where the nature of the complaint is one of sexual harassment, the employee should approach the personnel manager in such circumstances. A full and impartial investigation of the matter will then take place to ensure that any sexual harassment found to exist does not continue. At any stage during the investigation the complainant may ask the union to represent them.

Disputes procedure

Step one

(b) (i) An employee/s wishing to raise a problem which directly effects them, shall raise the matter with their immediate supervisor. If the employee desires, an advocate or a representative of the union may be present. The supervisor will take all reasonable steps to reply to the employee as soon as possible. If the reply cannot be given by the end of the next working day, a verbal or written progress report will be given.

Step two

(ii) Failing satisfactory resolution, the employee or their advocate/union representative will place the matter before the manager. The manager will take all reasonable steps to reply to the employee as soon as possible. If the reply cannot be given by the end of the next working day, a verbal or written progress report will be given.

Step three

(iii) Failing satisfactory resolution, the employee or their advocate/union representative will place the matter before the general manager or personnel manager in his/her absence. The matter and all relevant circumstances relating to it shall then be fully reviewed, and all reasonable steps shall be taken in an endeavour to resolve it. A written reply stating the reasons for the decision shall be given to the employee.

FEDERATED MISCELLANEOUS WORKERS UNION SUPPORTED EMPLOYMENT AWARD (FLAGSTAFF GROUP) 1991 [F171]

7 - Grievance procedure (b) - contd

Step four

(iv) Failing satisfactory resolution the employee or their advocate/union shall seek the assistance of the Board of Flagstaff Group to try and resolve the dispute.

Step five

(v) If the dispute is unresolved either the union and/or employer shall have the right to refer the matter to the Industrial Relations Commission for resolution.

8 - NO EXTRA CLAIMS

It is a term of this award (arising from the decision of the Australian Industrial Relations Commission in the National Wage Case of 16 April 1991, the terms of which are set out in Print J7400), that the union will not pursue prior to 1 November 1991, any extra claims, award or overaward, except when consistent with those principles determined by the decision.

9 - LEAVE RESERVED

- (a) Wage rates.
- (b) Assessing skill levels.
- (c) Classifications.
- (d) Union membership allowance.

SECTION 2 - EMPLOYMENT

10 - CONTRACT OF EMPLOYMENT

(a) Subject to subclause 12(c) of this award an employee shall be engaged as either full-time, part-time or casual and shall be graded and paid in accordance with clause 17 of this award.

Status of employment

- (i) For the purposes of this award a full-time employee shall be a permanent employee engaged for 38 ordinary hours per week. A part-time employee shall be a person who is engaged on a permanent basis for less than 38 hours per week. A casual employee shall be an employee who relieves for a full-time or part-time employee or who is engaged for a specific period of time on a temporary basis and works continuous for not more than two months.
- (ii) Each employee shall receive at the commencement of their employment with the Flagstaff Group a letter clearly setting out the status of their employment.

10 - Contract of employment (a) - contd

Mixed functions and transfers

- (b) (i) Employees can be located to work at any of the enterprises operated by the employer within the Illawarra Region. Transfers can take place as a consequence of the further development of skills of the individual employee concerned or to ensure that employees remain gainfully employed in the case of a downturn in any of the enterprises run by the employer.
 - (ii) If any employee feels they are disadvantaged by a transfer they shall have the right to have the matter dealt with under the disputes settling procedure contained in this award.
 - (iii) Employees shall be paid at a higher grade if carrying out the duties of a higher grade for two or more hours in any shift. They shall be paid at the higher grade for the time so worked. This paragraph shall not be implemented whilst a person is carrying out work in a higher grade for training purposes only.

Job sharing

- (c) (i) Job sharing is where a full-time job is divided between two workers but each is responsible for their own work.
 - (ii) A person wishing to job share their position shall seek the approval of the employer in the first instance.
 - (iii) Where it is agreed that job sharing is possible preference shall be given to full-time employees already engaged within Flagstaff as to whether they wish to work in one of the part-time positions.
 - (iv) Job sharing must only take place where it is mutually agreed between the employee and employer and agreed to by the employees concerned.
 - (v) Each job created under this clause must be treated as a part-time position and remunerated as such, and not as casual employment.
 - (vi) Each worker must have a separate contract of employment, which must provide for each person to break from the job sharing arrangement if he/she so desires.

11 - TERMINATION OF EMPLOYMENT

(a) (i) In order to terminate the employment of an employee the employer shall give to the employee the following notice:

11 - termination of employment (a) - contd

Period of continuous service	Period of	notice
1 year or less	1	week
1 year and up to the completion of 3 year	ears 2	weeks
3 years and up to the completion of 5 y	vears 3	weeks
5 years and over	4	weeks

- (2) In addition to the notice in subparagraph 11(a)(i)(1) hereof, employees over 45 years of age at the time of the giving of the notice with not less than two years continuous service, shall be entitled to an additional week's notice.
- (3) Payment in lieu of the notice prescribed in subparagraphs 11(a)(i)(1) and 11(a)(i)(2) hereof shall be made if the appropriate notice period is not given. Provided that employment may be terminated by part of the period of notice specified and part payment in lieu thereof.
- (4) In calculating any payment in lieu of notice the wages an employee would have received in respect of the ordinary time he or she would have worked during the period of notice had his or her employment not been terminated shall be used.
- (5) The period of notice in this clause shall not apply in the case of dismissal for conduct that justifies instant dismissal, including malingering, inefficiency or neglect of duty, or in the case of casual employees, apprentices, or employees engaged for a specific period of time or for a specific task or tasks.
- (6) For the purposes of this clause, continuity of service shall be calculated in the manner prescribed by subclause 25(g) of this award.

Notice of termination by employee

(ii) The notice of termination required do be given by an employee shall be the same as that required of an employer, save and except that there shall be no additional notice based on the age of the employee concerned.

If an employee fails to give notice the employer shall have the right to withhold moneys due to the employee with a maximum amount equal to the ordinary time rate of pay for the period of notice.

11 - Termination of employment (a) - contd

Time off during notice period

(iii) Where an employer has given notice of termination to an employee, an employee shall be allowed up to one day's time off without loss of pay for the purpose of seeking other employment. The time off shall be taken at times that are convenient to the employee after consultation with the employer.

Statement of employment

(iv) The employer shall, upon receipt of a request from an employee whose employment has been terminated, provide to the employee a written statement specifying the period of his or her employment and the classification of or the type of work performed by the employee.

Summary dismissal

(v) Notwithstanding the provisions of subparagraph 11(a)(i)(1) hereof the employer shall have the right to dismiss any employee without notice for conduct that justifies instant dismissal, including malingering, inefficiency or neglect of duty and in such cases the wages shall be paid up to the time of dismissal only.

Unfair dismissals

(vi) Termination of employment by an employer shall not be harsh, unjust or unreasonable.

For the purposes of this clause, termination of employment shall include terminations with or without notice.

Without limiting the above, except where a distinction, exclusion, or preference is based on the inherent requirements of a particular position, termination on the ground of race, colour, sex, sexual preference, marital status, family responsibilities, pregnancy, religion, political opinion, union membership or activity, national extraction and social origin shall constitute a harsh, unjust or unreasonable termination of employment.

Disputes settlement procedures - unfair dismissals

- (vii) Subject to the provisions of sections 334, 178, 311 and 179 of the <u>Australian Industrial Relations Act 1988</u>, any dispute or claim arising under paragraph 11(a)(vi) hereof should be dealt with in the following manner:
 - (1) As soon as is practicable after the dispute or claim has arisen, the employee concerned will take the matter up with his or her immediate supervisor affording him or her the opportunity to remedy the cause of the dispute or claim.

11 - Termination of employment (a) - contd

- (2) Where any such attempt as settlement has failed, or where the dispute or claim is of such a nature that a direct discussion between the employee and his or her immediate supervisor would be inappropriate, the employee shall notify a duly authorised representative of The Federated Miscellaneous Workers Union who, if he or she considers that there is some substance in the dispute or claim, shall forthwith take the matter up with the employer or his or her representative.
- (3) If the matter is not settled it shall be submitted to the Australian Industrial Relations Commission which shall endeavour to resolve the issue between the parties by conciliation.
- (4) Without prejudice to either party, work should continue in accordance with the award while the matters in dispute are being dealt with in accordance with this paragraph.

12 - INTRODUCTION OF CHANGE

Employer's duty to notify

- (a) (i) Where an employer of funding body has made a definite decision to introduce major changes in production, program, organisation, structure or technology that are likely to have significant effects on employees, the employer shall notify the employees who may be affected by the proposed changes and their union or unions.
 - (ii) "Significant effects" include termination of employment, major changes in the composition, operation or size of the employers workforce or in the skills required; the elimination or diminution of job opportunities, promotion opportunities or job tenure; the alteration of hours of work; the need for retraining or transfer of employees to other work or locations and the restructuring of jobs. Provided that where the award makes provision for alteration of any of the matters referred to herein an alteration shall be deemed not to have significant effect.

Employer's duty to discuss change

- (b) (i) The employer shall discuss with the employees affected and their union or unions, inter alia, the introduction of the changes referred to in subclause 12(a) hereof, the effects the changes are likely to have on employees, measures to avert or mitigate the adverse effects of such changes on employees and shall give prompt consideration to matters raised by the employees and/or their unions in relation to the changes.
 - (ii) The discussions shall commence as early as practicable after a definite decision has been made by the employer to make the changes referred to in subclause 12(a) hereof.

12 - Introduction of change (b) - contd

(iii) For the purposes of such discussion, the employer shall provide in writing to the employees concerned and their union or unions, all relevant information about the changes including the nature of the changes proposed; the expected affects of the changes on employees and any other matters likely to affect employees provided that any employer shall not be required to disclose confidential information the disclosure of which would be inimical to the employer's interest.

13 - REDUNDANCY

Discussions before terminations

- (a) (i) Where an employer has made a definite decision that the employer no longer wishes the job the employee has been doing done by anyone and this is not due to the ordinary and customary turnover of labour and that decision may lead to termination of employment, the employer shall hold discussions with the employees directly affected and with their union or unions.
 - (ii) The discussions shall take place as soon as is practicable after the employer has made a definite decision which will invoke the provisions of paragraph (a)(i) hereof and shall cover, inter alia, any reasons for the proposed terminations, measures to avoid or minimise the terminations and measures to mitigate any adverse effects of any terminations on the employees concerned.
 - (iii) For the purposes of the discussion the employer shall, as soon as practicable, provide in writing to the employees concerned and their union or unions, all relevant information about the proposed terminations including the reasons for the proposed terminations, the number and categories of employees likely to be affected, and the number of workers normally employed and the period over which the terminations are likely to be carried out. Provided that any employer shall not be required to disclose confidential information the disclosure of which would be inimical to the employer's interests.

Transfer to lower paid duties

(b) Where an employee is transferred to lower paid duties for reasons set out in paragraph (a)(i) hereof the employee shall be entitled to the same period of notice of transfer as he or she would have been entitled to if his or her employment had been terminated, and the employer may at the employee's option, make payment in lieu thereof of an amount equal to the difference between the former ordinary time rate of pay and the new lower ordinary time rates for the number of weeks of notice still owing.

13 - Redundancy - contd

Severance pay

(c) In addition to the period of notice prescribed for ordinary termination in subclause 11(a) of this award, and subject to further order of the Commission, an employee whose employment is terminated for reasons set out in paragraph (a)(i) hereof shall be entitled to the following amount of severance pay in respect of a continuous period of service:

Period of continuous service	Period of notice
1 year or less	Nil
1 year and up to the completion of 2 years	4 weeks' pay
2 years and up to the completion of 3 years	6 weeks' pay
3 years and up to the completion of 4 years	7 weeks' pay
4 years and over	8 weeks' pay

"Week's pay" means the ordinary time rate of pay for the employee concerned.

Provided that the severance payments shall not exceed the amount which the employee would have earned if employment with the employer had proceeded to the employee's normal retirement date.

Employee leaving during notice

(d) An employee whose employment is terminated for reasons set out in paragraph (a)(i) hereof may terminate his or her employment during the period of notice and, if so, shall be entitled to the same benefits and payments under this clause had he or she remained with the employer until the expiry of such notice. Provided that in such circumstances the employee shall not be entitled to payment in lieu of notice.

Alternative employment

(e) An employer, in a particular redundancy case, may make application to the Commission to have the general severance pay prescription varied if the employer obtains acceptable alternative employment for an employee.

Time off during notice period

(f) (i) During the period of notice of termination given by the employer an employee shall be allowed up to one day's time off without loss of pay during each week of notice for the purpose of seeking other employment.

13 - Redundancy (f) - contd

(ii) If the employee has been allowed paid leave for more than one day during the notice period for the purpose of seeking other employment, the employee shall, at the request of the employer, be required to produce proof of attendance at an interview or her or she shall not receive payment for the time absent.

For this purpose a statutory declaration will be sufficient.

Notice to Commonwealth Employment Service

(g) Where a decision has been made to terminate employees in the circumstances outlined in paragraph (a)(i) hereof, the employer shall notify the Commonwealth Employment Service thereof as soon as possible giving relevant information including the number and categories of the employees likely to be affected and the period over which the terminations are intended to be carried out.

Superannuation benefits

(h) Subject to further order of the Commission:

Where an employee who is terminated receives a benefit from a superannuation scheme, he or she shall only receive under subclause (c) hereof the difference between the severance pay specified in that subclause and the amount of the superannuation benefit he or she receives which is attributable to employer contributions only.

If this superannuation benefit is greater than the amount due under subclause (c) hereof then he or she shall receive no payment under that clause.

Transmission of business

- (i) (i) Where a business is before or after the date of this award, transmitted from an employer (in this subclause called "the transmittor") to another employer (in this subclause called "the transmittee") and an employee who at the time of such transmission was an employee of the transmittor in that business becomes an employee of the transmittee:
 - (1) the continuity of employment of the employee shall be deemed not to have been broken by reason of such transmission:

and

- (2) the period of employment which the employee has had with the transmittor or any prior transmittor shall be deemed to be service of the employee with the transmittee.
- (ii) In this subclause "business" includes trade, process, business or occupation and includes part of any such business and "transmission" includes transfer, conveyance, assignment or succession whether by agreement or by operation of law and "transmitted" has a corresponding meaning.

13 - Redundancy - contd

Employees with less than one year's service

(j) This clause shall not apply to employees with less than one year's continuous service and the general obligation on employers should be no more than to give relevant employees an indication of the impending redundancy at the first reasonable opportunity, and to take such steps as may be reasonable to facilitate the obtaining by the employees of suitable alternative employment.

Employees exempted

(k) This clause shall not apply where employment is terminated as a consequence of conduct that justifies instant dismissal, including malingering, inefficiency or neglect of duty, or in the case of casual employees, apprentices, or employees engaged for a specific period of time or for a specified task or tasks.

Employers exempted

(1) Subject to an order of the Commission, in a particular redundancy case, this clause shall not apply to employers who employ less than fifteen employees.

Incapacity to pay

(m) An employer, in a particular redundancy case, may make application to the Commission to have the general severance pay prescription varied on the basis of the employer's incapacity to pay.

Transfer

(n) Where an employer offers and the redundant employee accepts a transfer interstate to a position with his or her employer, the employee shall be entitled to receive reasonable removal expenses and allowances for both the employee and his or her dependents.

14 - HOURS OF WORK

- (a) The ordinary hours of work shall be worked in not more than five consecutive shifts of not more than 8 consecutive hours or by agreement with the employee ten hours, and shall not exceed 38 hours per week or an average of 38 per week over an agreed roster cycle.
- (b) Ordinary time shall be worked between the hours 6.00 a.m. and 6.00 p.m. Monday to Friday except where such work is carried out on weekends where payment shall be paid at time and half on Saturdays and double time on Sundays, except in the case of employees engaged on catering services who will be paid at the rate of time and three quarters on Sunday.

14 - Hours of work - contd

Meal and tea breaks

(c) All employees shall be allowed at least a half hour unpaid lunch break not later than five hours after the commencement of work unless otherwise agreed between the employer and employee. An employee shall not be required to work for more than five hours without a meal break. All employees shall receive one paid tea break of 15 minutes in the morning.

Part-time and casuals minimum start

(d) All part-time and casual workers shall receive a minimum payment of three hours for each engagement.

Rosters

(e) The employer shall notify all permanent employees of their roster on commencement with the Flagstaff Group. Rosters can only be changed by the employer by giving employees at least seven days notice except in the cases of emergency where the employer shall have the right to alter rosters immediately.

15 - PREFERENCE OF EMPLOYMENT

- (a) The employer shall give absolute preference of employment to financial members of The Federated Miscellaneous Workers Union of Australia at the point of engagement and retention of employment subject to:
 - (i) where the position to be filled is for a person with a disability then such preference shall be limited to persons with a disability, and/or
 - (ii) the applicant applying for the position who is a member of the union has the necessary skills and qualifications to carry out the duties of the position.
- (b) The employer shall deduct union fees for an employee upon receipt of a signed union deduction authority form. Such moneys as deducted for union fees shall be remitted to the union on a monthly basis.
- (c) The employer shall support and facilitate employees joining the union.

SECTION 3 - REMUNERATION AND ADVANCEMENT

16 - PAYMENT OF WAGES

- (a) Wages shall be paid weekly or fortnightly, at the employer's discretion, during working hours not later than Friday. Payment shall be made in cash, by cheque or by bank transfer, at the employer's discretion provided that not more than three day's pay shall be kept in hand.
- (b) Overtime shall be paid not later than the pay day next succeeding the week in which the overtime has been worked.
- (c) Where an employee is discharged from employment the employee shall be paid forthwith on-the-job for all wages, overtime, pro rata payment for recreation leave, holiday payment or any other remuneration due by cash or cheque at the discretion of the employer.
- (d) Where an employee lawfully leaves his or her employment he or she shall be paid all moneys due at the time of leaving by cash or cheque at the discretion of the employer.
- (e) In the event of there being any delay in the making of any payment mentioned in this clause an employee shall be paid at ordinary rates for all time the employee is kept waiting.

Time kept waiting shall be deemed to operate after 6.00 p.m. on the Friday of each pay week where payment is made by electronic bank transfer.

Paypacket details

- (f) Particulars of details of payment of each employee shall be included on the envelope holding the payment, or in a statement handed to the employee and shall contain the following information:
 - 1 Date of payment.
 - Period covered by such payment.
 - The amount of wages paid for work at ordinary rates.
 - The number of hours paid at overtime rates and the amount paid therefore.
 - 5 The amount of allowances or special rates paid and the nature thereof.
 - 6 The gross amount of wages and allowances paid.
 - 7 The amount of each deduction made and the nature thereof.
 - The net amount of wages and allowances paid.
 - 9 Any annual holiday payments.
 - 10 Superannuation payment

All allowances paid by the Government should be shown separately for persons receiving such money.

Composite rates

(g) (i) As an alternative to an employees wages being calculated and paid on a weekly or fortnightly basis, agreement may be reached between the union and the employer that an employee can be paid a composite annual salary which properly remunerates the employee in accordance with the award for work performed over an agreed roster cycle. In such cases

16 - Payment of wages(g)(i) - contd

the composite annual salary will be calculated to ensure that such salary paid over the year is sufficient to cover what the employee would have been entitled to if all award overtime and penalty rate obligations had been complied with.

Provided further, in the event of termination of employment prior to completion of a year, the salary paid during such period of employment shall be sufficient to cover what the employee would have been entitled to if all award overtime and penalty rate payments obligations had been complied with.

(ii) Where payment in accordance with this subclause is adopted, the employer shall keep a daily record of the hours worked by an employee which shall show the date, start and finish times of the employee for the day. This record shall be countersigned weekly by the employee and shall be kept at the place of employment for a period of at least six years.

17 - WAGE RATES

- (a) Upon appointment, an employee shall be graded by the employer in one of the grades in schedule A having regard to the employee's skills, experience and qualification.
- (b) Subject to subclauses (c) and (d) hereof employees shall be paid the rate fixed for the employee's grade in the following table:

	Base rate \$	Supplementary payment \$	Total rate \$
Grade 1 Grade 2 Grade 3 Grade 4	284.90 299.50 319.20 337.40	40.50 42.60 45.40	325.40 342.10 364.60
Grade 5 Grade 6 Grade 7	365.20 420.00 445.50	48.10 52.00 59.80 63.40	385.50 417.20 479.80 508.90

Employees with disabilities

- (c) Subject to subclause (d) hereof employees with disability shall be paid such percentage of the rate for the employee's grade as equals the skill level of the employee assessed as a percentage of the skill of an employee who is not disabled.
 - (d) (i) From the date of commencement of this award until 1 July 1992 an employee with a disability shall be paid:
 - (1) In the case of employees employed at the date of commencement of this award the rate then being paid to that employee;

17 - Wage rates (d)(i) - contd

- (2) In the case of employees who are employed after the date of commencement of this award the rate assessed by the company for that employee in accordance with the company's method of assessment in operation at the date of commencement of this award.
- (ii) From 1 July 1992 until the operative date of any new salary system introduced pursuant to paragraph (iv) an employee with a disability shall be paid the rate calculated as follows:
 - (1) The rate paid at 30 June 1992 shall be converted to the percentage it is of the rate specified in subclause (b) hereof for the employee's classification;
 - (2) The percentage so determined shall be adjusted as follows:

If less than 15% t		
If between 15% and less than 20%	20%	
If between 20% and less than 25% to	25%	
If between 25% and less than 30% to	30%	
If between 30% and less than 35% to	35%	
If between 35% and less than 40% to	40%	
If between 40% and less than 45% to	45%	
If between 45% and less than 50% to	50%	
If between 50% and less than 55% to	55%	
If between 55% and less than 60% to	60%	
If between 60% and less than 65% to	65%	
If between 65% and less than 70% to	70%	

17 - Wage rates (d)(ii) - contd

If between 70% and less than 80%

to 80%

If between 80% and less than 100%

to 100%

- (3) The percentage so adjusted of the rate specified in subclause (b) hereof shall be converted to a rate which shall be the employee's new rate.
- (iii) All rates shall be subject to variation pursuant to National Wage Case decisions, provided that a flat amount increase shall be converted to a percentage having regard to the employee's rate of pay.
- (iv) When the National Productivity Assessment System (currently being developed by the Australian Government's Disability Task Force) is published, the company and the union shall confer with a view to reaching agreement on a salary assessment system related to the National Productivity Assessment System. Failing agreement the matter shall be arbitrated by the Commission. Any new salary assessment system shall operate from such date as is ratified or determined by the Commission.
- (v) In this clause "disability" means a disability entitling the person with it to a disability support pension under the Social Security Act 1991.

Consultation and review

- (e) (i) Consultation shall take place between the company and the union to ensure that additional costs resulting from wage and superannuation increases for employees with disabilities do not jeopardise the operation of the company or prevent or restrict the recruitment of future employees.
 - (ii) Both parties will continue to negotiate with the Department of Social Security to ensure that future wage increases do not negatively impact upon the total income package received by employees with disabilities. In the interim, the union and employer shall ensure that no individual is financially disadvantaged by the introduction of this award.

Long term objectives

(f) Both parties are committed to the long term aim of achieving full award wages for employees with disabilities through improved employment opportunities, training, and the introduction where applicable of a wage subsidy paid by the Government.

17 - Wage rates - contd

Apprentices - and - juniors

(g) Apprentices and juniors shall be paid in accordance with the principal award governing the terms and conditions of the classification of the apprentice or junior.

18 - OVERTIME AND MEAL ALLOWANCE

- (a) Subject to subclause (f) hereof all time worked outside the ordinary hours of work shall be overtime and shall be paid for at the rate of time and one-half for the first two hours and double time thereafter provided that overtime at the rate of double time shall be paid for all time worked after 12.00 noon on a Saturday if such time is not part of any employees ordinary shift, provided further that in computing overtime each day's work shall stand alone.
- (b) When overtime work is necessary it shall wherever reasonably practicable, be so arranged that employees have at least ten consecutive hours off duty between the work of successive days.
- (c) An employee working overtime shall be provided with a suitable meal or paid a meal allowance in any of the following circumstances:
 - (i) When required to work beyond 6.00 p.m.
 - (ii) If overtime continues beyond 10.00 p.m.
- (d) Employees whose fixed hours of employment are less than 38 per week, may be worked without payment of overtime rates up to two hours after the fixed finishing time on any day by agreement. In any case, an employee shall not be required to work more than nine hours in any one day nor more than 38 hours in any one week without the payment of overtime, provided further that such nine hours shall be worked between Monday to Friday inclusive.
- (e) In computing overtime calculation will be made to the nearest five minutes.

Time off in lieu of overtime

- (f) Where an employee has performed duty on overtime, he/she may be released from duty for a period not exceeding the period of overtime actually worked subject to the conditions herein:
 - (i) An employee may only be released from duty in lieu of payment for overtime at the request of the employee and with the agreement of the employer. Such agreement shall be in writing and be kept with the time and wages records.
 - (ii) An employee may not accumulate more than 20 hours to be taken as leave in lieu of overtime payment and shall be taken within four weeks of the accrual. Where such leave is not taken in this period it shall be paid for at the appropriate overtime rate.

18 - Overtime and meal allowance (f) - contd

(iii) This provision shall only apply in respect of overtime worked between Monday to Friday inclusive. Normal penalties for overtime worked on Saturday, Sunday and Public Holidays shall apply for those days.

19 - PUBLIC HOLIDAYS

- (a) The days on which the following holidays are observed shall be holidays under this award: New Year's Day, Australia Day, Good Friday, Easter Saturday, Easter Monday, Anzac Day, Queen's Birthday, Labour Day, Christmas Day and Boxing Day and any day which may hereafter be proclaimed a public holiday throughout the State; and the picnic day of the union which shall be held on the first Monday in August each year; provided that where the Flagstaff Group Picnic Day is held on some other day that day shall be the picnic day in substitution for the union picnic day. Notwithstanding the above agreement may be reached between the employer and employee that the said picnic day be taken on another day.
- (b) A permanent full-time or part-time employee shall be entitled to the above holidays without loss of pay.
- (c) Employees who work on a holiday shall be paid at the rate of double time and a half.

20 - ALLOWANCES

Use of vehicle

(a) An employee required to use their own vehicle during working hours shall be paid 41 cents per kilometre travelled.

First aid allowance

(b) An employee who holds a St. Johns first aid certificate or an equivalent qualification shall be paid an additional \$8.40 per week where such an employee has been appointed as per subclause 33(c) of this award.

Meal allowance

(c) Where an employee is entitled to a meal allowance he/she shall be paid \$5.80 per entitlement.

Dry - cleaning allowance

(d) Employees not provided with uniforms shall be paid a dry cleaning allowance of \$100.00 per year in accordance with clause 32 of this award.

Leading hand allowance

(e) Leading hands in charge of not less than 3 and not more than ten \$18.60 per week; more than 10 and not more than twenty \$27.80 per week; more than twenty employees \$35.30 per week.

21 - SUPERANNUATION

- (a) (i) "ARF" shall mean the Australian Retirement Fund, a superannuation scheme established and governed by a declaration of trust dated 11 July 1986, as amended from time to time which complies with the Australian Government's operational standards for occupational superannuation funds.
 - (ii) A "permanent employee" for the purposes of this clause only, shall mean an employee who is engaged on a weekly hired basis and who is still engaged at the end of the calendar month in which employment commenced.
 - (iii) A "casual employee" for the purpose of this clause only. shall mean all employees other than permanent employees as defined herein.
 - (iv) "The ordinary time earnings of an employee" shall mean in respect of the relevant period of employment, the employee's classification rate, including payment at such rate for all hours worked as part of regular roster together with any additional amount paid thereon; allowances paid for supervisory or managerial purposes; allowances which relate to work or conditions, including first aid allowance, and fork-lift driving allowance, and any overaward payment; but shall not include payment for overtime or reimbursement allowances.

Employers to become a party to Australian Retirement Fund

- (b) (i) The employer bound by this award shall sign and execute an application to become a participating employer of Australian Retirement Fund.
 - (ii) The employer bound by this award shall become party to the Australian Retirement Fund upon the acceptance of the Trustee of the Australian Retirement Fund of the application to become a participating employer, duly signed and executed by the employer and the Trustees of Australian Retirement Fund.
 - (iii) The employer bound by this award shall provide every employee who is not already a member of the Australian Retirement Fund, with a membership application form for the Australian Retirement Fund to which the employer has become a participating employer upon commencement of service or upon commencement of this clause. Each employee shall be required to complete such form and the completed form shall be forwarded to the administrator of the approved industry fund at the end of the calendar month of commencement of service.

Eligibility of employees

Date of becoming eligible

(c) (i) All employees shall be eligible to join an approved fund upon commencement of employment, or upon commencement of this clause.

21 - Superannuation (c) - contd

Payment from date eligible

(ii) Notwithstanding the date upon which an employee signs a Membership Application Form, contributions in accordance with subclause (d) hereof shall be made from the date when the employee became eligible for membership.

Contributions

Permanent employees

(d) (i) Subject to paragraph (d)(iii) hereof contributions for permanent employees shall be paid at the end of each calendar month by employers calculated at the rate of 3% of ordinary time earnings for each complete week worked during the month.

Casual employees

(ii) Subject to paragraph (d)(iii) hereof contributions for casual employees shall be made at the end of each calendar month by employers calculated as three per cent of all earnings earned during the month. Provided that if a casual employee's earnings are less than \$120.00 per month, the employer shall not be required to make any contribution.

Workers with disabilities

(iii) Where a worker with a disability is being paid less than 80% of the full award wage in accordance with clause 17 of this award contributions for such employees shall be either 3% of their ordinary time earnings or \$6.00 which ever is the greater.

Payment of contributions

(iv) Contributions in accordance with paragraph (i) hereof, shall be made at the completion of each calendar month in respect of completed weeks of membership of the approved industry fund during which time the employee was at work or was on paid leave. Contributions shall continue whilst ever a person continues to receive payments under the N.S.W. Workcover Act.

Exemption

- (e) (i) Notwithstanding anything else contained in this clause, existing employees who are members of the National Mutual Tailored Superannuation Plan LO210 at the date of the commencement of operation of this award shall have the choice to remain in such superannuation scheme, rather than to transfer to Australian Retirement Fund.
 - (ii) Where existing employees choose to transfer to the Australian Retirement Fund, the union and the employer shall endeavour to ensure that such transfer takes place without cost.

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SECTION 4 - LEAVE

22 - ANNUAL LEAVE

Entitlement

(a) After a period of 12 months employment, employees are entitled to 4 weeks paid annual leave which attracts 17.5% holiday loading.

Should an employee take holidays in advance of their anniversary date, no holiday loading would be paid until such time as the 12 month period was completed, at which time holiday loading would be paid for holidays taken in advance.

Should an employee terminate their services or be terminated they shall receive all their accrued annual leave including pro rata for part years.

Leave period

(b) Except in exceptional circumstances all leave is to be taken in periods of five days.

Day of commencement of annual leave

(c) All annual leave taken should commence on a Monday unless otherwise agreed to between the employer and employee.

Annual leave notice

(d) When taking annual leave a minimum of two weeks notice should be given on the appropriate form and approved by the employee's section supervisor. Approval must be granted before leave is taken.

Annual leave pay

(e) The company will pay annual leave pay on the Friday prior to the employee proceeding on leave together with any SEA currently advanced by the department of social security.

Payment into bank account when on annual leave

(f) Should an employee proceeding on leave for a period in excess of two weeks wish their SEA paid into a bank account, this can be arranged with a minimum of two weeks notice. This should be advised on the annual leave form where details of the bank account must be shown.

As soon as possible after completion of the payroll for the period during which the employee is on leave, money due which has been received from the department of social security will be forwarded to the bank for deposit into the specified bank account.

Annual leave in advance

(g) Annual leave will not be paid in advance unless approved by the employer and the employee has accrued sufficient days to cover the period of leave.

22 - Annual leave - contd

Christmas annual leave

(h) It will not be necessary for an annual leave application to be submitted for the annual close down which occurs between Christmas Day and New Years Day, but should leave extend beyond this period a leave application is required.

Annual leave accumulation

(i) Each years annual leave entitlement must be taken within the following twelve months otherwise the company will ask the employee to take outstanding leave.

Seven day shift workers

(j) Where an employee regularly works his/her ordinary hours on a Saturday and/or Sunday they shall receive an additional weeks annual leave.

23 - SICK LEAVE ENTITLEMENT

- (a) All permanent employees shall be entitled to five days sick leave during the first year and eight days during the second and subsequent years of service on full pay.
- (b) Untaken sick leave in any year may be accumulated and taken in subsequent years. No payment will be made for any sick leave outstanding at the time of resignation or retirement unless such resignation or retirement is caused by ill health.
- (c) Sick leave in the first year shall accrue on the basis of 1 day per month for the first five months. Thereafter sick leave shall be credited to the employee on their anniversary date.
- (d) An employee shall, wherever practicable, inform the employer of their inability to attend work within 24 hours of the commencement of absence due to illness. Also, if possible, the employee should state the nature of the illness and estimated duration of the absence.
- (e) For periods of sick leave of four days or less, employees may claim their sick leave entitlements without the production of a Doctor's certificate. For periods of five days or more a Doctor's certificate is required prior to payment.
- (f) All sick leave claims should be made on the form available from the supervisor. Where necessary a Doctor's certificate should be attached to this form.
- (g) Notwithstanding anything else contained in this clause the employer shall have the discretion to extend the period of aid sick leave on a case by case basis.

24 - PARENTAL LEAVE

Subject to the terms of this clause employees are entitled to maternity, paternity and adoption leave and to work part-time in connection with the birth or adoption of a child.

(A) MATERNITY LEAVE

Nature of leave

(1) Maternity leave is unpaid leave.

Definitions

- (2) For the purposes of this subclause:
 - (a) "Employee" includes a part-time employee but does not include an employee engaged upon casual or seasonal work.
 - (b) "Paternity leave" means leave of the type provided for in subclause (B) whether prescribed in an award or otherwise.
 - (c) "Child" means a child of the employee under the age of one year.
 - (d) "Spouse" includes a de facto or a former spouse.
 - (e) "Continuous service" means service under an unbroken contract of employment and includes:
 - (i) any period of leave taken in accordance with this clause,
 - (ii) any period of part-time employment worked in accordance with this clause, or
 - (iii) any period of leave or absence authorised by the employer or by the award.

Eligibility for maternity leave

(3) An employee who becomes pregnant, upon production to her employer of the certificate required by paragraph (4) hereof, shall be entitled to a period of up to 52 weeks maternity leave provided that such leave shall not extend beyond the child's first birthday. This entitlement shall be reduced by any period of paternity leave taken by the employee's spouse in relation to the same child and apart from paternity leave of up to one week at the time of confinement shall not be taken concurrently with paternity leave.

Subject to paragraphs (6) and (9) hereof the period of maternity leave shall be unbroken and shall, immediately following confinement, include a period of six weeks compulsory leave.

The employee must have had at least 12 months continuous service with that employer immediately preceding the date upon which she proceeds upon such leave.

24 - Parental leave (A) - contd

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Certification

- (4) At the time specified in paragraph (5) the employee must produce to her employer:
 - (a) a certificate from a registered medical practitioner stating that she is pregnant and the expected date of confinement;
 - (b) a statutory declaration stating particulars of any period of paternity leave sought or taken by her spouse and that for the period of maternity leave she will not engage in any conduct inconsistent with her contract of employment.

Notice requirements

- (5) (a) An employee shall, not less than ten weeks prior to the presumed date of confinement, produce to her employer the certificate referred to in subparagraph 4(a).
 - (b) An employee shall give not less than four weeks notice in writing to her employer of the date upon which she proposes to commence maternity leave stating the period of leave to be taken and shall, at the same time, produce to her employer the statutory declaration referred to in subparagraph 4(b).
 - (c) An employer by not less than 14 days notice in writing to the employee may require her to commence maternity leave at any time within the six weeks immediately prior to her presumed date of confinement.
 - (d) An employee shall not be in breach of this clause as a consequence of failure to give the stipulated period of notice in accordance with subparagraph (b) hereof if such failure is occasioned by the confinement occurring earlier than the presumed date.

Transfer to a safe job

- (6) Where, in the opinion of a registered medical practitioner, illness or risks arising out of the pregnancy or hazards connected with the work assigned to the employee make it inadvisable for the employee to continue at her present work, the employee shall, if the employer deems it practicable, be transferred to a safe job at the rate and on the conditions attaching to that job until the commencement of maternity leave.
- If the transfer to a safe job is not practicable, the employee may, or the employer may require the employee to, take leave for such period as is certified necessary by a registered medical practitioner. Such leave shall be treated as maternity leave for the purposes of paragraphs (10), (11), (12) and (13) hereof.

24 - Parental leave (A)-contd

Variation of period of maternity leave

- (7) (a) Provided the maximum period of maternity leave does not exceed the period to which the employee is entitled under paragraph (3) hereof:
- (i) the period of maternity leave may be lengthened once only by the employee giving not less than 14 days notice in writing stating the period by which the leave is to be lengthened;
 - (ii) the period may be further lengthened by agreement between the employer and the employee.
 - (b) The period of maternity leave may, with the consent of the employer, be shortened by the employee giving not less than 14 days notice in writing stating the period by which the leave is to be shortened.

Cancellation of maternity leave

- (8) (a) Maternity leave, applied for but not commenced, shall be cancelled when the pregnancy of an employee terminates other than by the birth of a living child.
 - (b) Where the pregnancy of an employee then on maternity leave terminates other than by the birth of a living child, it shall be the right of the employee to resume work at a time nominated by the employer which shall not exceed four weeks from the date of notice in writing by the employee to the employer that she desires to resume work.

Special maternity leave and sick leave

- (9) (a) Where the pregnancy of an employee not then on maternity leave terminates after 28 weeks other than by the birth of a living child then:
 - (i) she shall be entitled to such period of unpaid leave (to be known as special maternity leave) as a registered medical practitioner certifies as necessary before her return to work; or
 - (ii) for illness other than the normal consequences of confinement she shall be entitled, either in lieu of or in addition to special maternity leave, to such paid sick leave as to which she is then entitled and which a registered medical practitioner certifies as necessary before her return to work.

24 - Parental leave (A)(9) - contd

- (b) Where an employee not then on maternity leave suffers illness related to her pregnancy, she may take such paid sick leave as to which she is then entitled and such further unpaid leave (to be known as special maternity leave) as a registered practitioner certifies as necessary before her return to work, provided that the aggregate of paid sick leave, special maternity leave and maternity leave shall not exceed the period to which the employee is entitled under paragraph (3) hereof.
- (c) For the purposes of paragraphs (10), (11) and (12) hereof, maternity leave shall include special maternity leave.
- (d) An employee returning to work after the completion of a period of leave taken pursuant to this paragraph shall be entitled to the position which she held immediately before proceeding on such leave or, in the case of an employee who was transferred to a safe job pursuant to paragraph (6) hereof, to the position she held immediately before such transfer.

Where such position no longer exists but there are other positions available which the employee is qualified for and is capable of performing she shall be entitled to a position as nearly comparable in status and pay to that of her former position.

Maternity leave and other leave entitlements

- (10) (a) Provided the aggregate of any leave, including leave taken under this subclause, does not exceed the period to which the employee is entitled under paragraph (3) hereof, an employee may, in lieu of or in conjunction with maternity leave, take any annual leave or long service leave or any part thereof to which she is entitled.
 - (b) Paid sick leave or other paid authorised award absences (excluding annual leave or long service leave) shall not be available to an employee during her absence on maternity leave.

Effect of maternity leave on employment

(11) Subject to this subclause, notwithstanding any award or other provision to the contrary, absence on maternity leave shall not break the continuity of service of an employee but shall not be taken into account in calculating the period of service for any purpose of any relevant award or agreement.

Termination of employment

(12) (a) An employee on maternity leave may terminate her employment at any time during the period of leave by notice given in accordance with this award.

24 - Parental leave (A)(12) - contd

(b) An employer shall not terminate the employment of an employee on the ground of her pregnancy or of her absence on maternity leave, but otherwise the rights of an employer in relation to termination of employment are not hereby affected.

Return to work after maternity leave

- (13) (a) An employee shall confirm her intention of returning to work by notice in writing to the employer given not less than four weeks prior to the expiration of her period of maternity leave.
 - (b) An employee, upon returning to work after maternity leave or the expiration of the notice required by subparagraph (a) hereof, shall be entitled to the position which she held immediately before proceeding on maternity leave or, in the case of an employee who was transferred to a safe job pursuant to paragraph (6) hereof, to the position which she held immediately before such transfer or in relation to an employee who has worked part-time during the pregnancy the position she held immediately before commencing such part-time work.

Where such position no longer exists but there are other positions available which the employee is qualified for and is capable of performing, she shall be entitled to a position as nearly comparable in status and pay to that of her former position.

Replacement employees

- (14) (a) A replacement employee is an employee specifically engaged as a result of an employee proceeding on maternity leave.
 - (b) Before an employer engages a replacement employee the employer shall inform that person of the temporary nature of the employment and of the rights of the employee who is being replaced.
 - (c) Before an employer engages a person to replace an employee temporarily promoted or transferred in order to replace an employee exercising her rights under this subclause, the employer shall inform that person of the temporary nature of the promotion or transfer and of the rights of the employee who is being replaced.
 - (d) Nothing in this subclause shall be construed as requiring an employer to engage a replacement employee.

24 - Parental leave - contd

(B) PATERNITY LEAVE

Nature of leave

(1) Paternity leave is unpaid leave.

Definitions

- (2) For the purposes of this subclause:
 - (a) "Employee" includes a part-time employee but does not include an employee engaged upon casual or seasonal work.
 - (b) "Maternity leave" means leave of the type provided for in subclause (A) (and includes special maternity leave) whether prescribed in an award or otherwise.
 - (c) "Child" means a child of the employee or the employee's spouse under the age of one year.
 - (d) "Spouse" includes a de facto or a former spouse.
 - (e) "Primary care-giver" means a person who assumes the principal role of providing care and attention to a child.
 - (f) "Continuous service" means service under an unbroken contract of employment and includes:
 - (i) any period of leave taken in accordance with this clause,
 - (ii) any period of part-time employment worked in accordance with this clause, or
 - (iii) any period of leave or absence authorised by the employer or by the award.

Eligibility for paternity leave

- (3) A male employee, upon production to his employer of the certificate required by paragraph (4), shall be entitled to one or two periods of paternity leave, the total of which shall not exceed 52 weeks, in the following circumstances:
 - (a) an unbroken period of up to one week at the time of confinement of his spouse;
 - (b) a further unbroken period of up to 51 weeks in order to be the primary care-giver of a child provided that such leave shall not extend beyond the child's first birthday. This entitlement shall be reduced by any period of maternity leave taken by the employee's spouse and shall not be taken concurrently with that maternity leave.

24 - Parental leave (B)(3)(b) - contd

The employee must have had at least 12 months continuous service with that employer immediately preceding the date upon which he proceeds upon either period of leave.

Certification

- (4) At the time specified in paragraph (5) the employee must produce to his employer:
 - (a) a certificate from a registered medical practitioner which names his spouse, states that she is pregnant and the expected date of confinement or states the date on which the birth took place;
 - (b) in relation to any period to be taken under subparagraph(3)(b) hereof, a statutory declaration stating:
 - (i) he will take that period of paternity leave to become the primary care-giver of a child;
 - (ii) particulars of any period of maternity leave sought or taken by his spouse; and
 - (iii) for the period of paternity leave he will not engage in any conduct inconsistent with his contract of employment.

Notice requirements

- (5) (a) The employee shall, not less than ten weeks prior to each proposed period of leave, give the employer notice in writing stating the dates on which he proposes to start and finish the period or periods of leave and produce the certificate and statutory declaration required in paragraph (4) hereof.
 - (b) The employee shall not be in breach of this paragraph as a consequence of failure to give the notice required in subparagraph (a) hereof if such failure is due to:
 - (i) the birth occurring earlier than the expected date; or
 - (ii) the death of the mother of the child; or
 - (iii) other compelling circumstances.
 - (c) The employee shall immediately notify his employer of any change in the information provided pursuant to paragraph (4) hereof.

Variation of period of paternity leave

(6) (a) Provided the maximum period of paternity leave does not exceed the period to which the employee is entitled under paragraph (3) hereof:

24 - Parental leave (B)(6) - contd

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- (i) the period of paternity leave provided by subparagraph (3)(b) may be lengthened once only by the employee giving not less than 14 days notice in writing stating the period by which the leave is to be lengthened;
- (ii) the period may be further lengthened by agreement between the employer and the employee.
- (b) The period of paternity leave taken under subparagraph (3)(b) hereof may, with the consent of the employer, be shortened by the employee giving not less than 14 days notice in writing stating the period by which the leave is to be shortened.

Cancellation of paternity leave

(7) Paternity leave, applied for under subparagraph (3)(b) hereof but not commenced, shall be cancelled when the pregnancy of the employee's spouse terminates other than by the birth of a living child.

Paternity leave and other leave entitlements

- (8) (a) Provided the aggregate of any leave, including leave taken under this subclause, does not exceed the period to which the employee is entitled under paragraph (3) hereof, an employee may, in lieu of or in conjunction with paternity leave, take any annual leave or long service leave or any part thereof to which he is entitled.
 - (b) Paid sick leave or other paid authorised award absences (excluding annual leave or long service leave) shall not be available to an employee during his absence on paternity leave.

Effect of paternity leave on employment

(9) Subject to this subclause, notwithstanding any award or other provision to the contrary absence on paternity leave shall not break the continuity of service of an employee but shall not be taken into account in calculating the period of service for any purpose of any relevant award or agreement.

Termination of employment

- (10) (a) An employee on paternity leave may terminate his employment at any time during the period of leave by notice given in accordance with this award.
 - (b) An employer shall not terminate the employment of an employee on the ground of his absence on paternity leave, but otherwise the rights of an employer in relation to termination of employment are not hereby affected.

24 - Parental leave (B) - contd

Return to work after paternity leave

- (11) (a) An employee shall confirm his intention of returning to work by notice in writing to the employer given not less than four weeks prior to the expiration of the period of paternity leave provided by subparagraph (3)(b) hereof.
 - (b) An employee, upon returning to work after paternity leave or the expiration of the notice required by subparagraph (a) hereof, shall be entitled to the position which he held immediately before proceeding on paternity leave, or in relation to an employee who has worked part-time under this clause to the position he held immediately before commencing such part-time work.

Where such position no longer exists but there are other positions available which the employee is qualified for and is capable of performing, he shall be entitled to a position as nearly comparable in status and pay to that of his former position.

Replacement employees

- (12) (a) A replacement employee is an employee specifically engaged as a result of an employee proceeding on paternity leave.
 - (b) Before an employer engages a replacement employee the employer shall inform that person of the temporary nature of the employment and of the rights of the employee who is being replaced.
 - (c) Before an employer engages a person to replace an employee temporarily promoted or transferred in order to replace an employee exercising his rights under this subclause, the employer shall inform that person of the temporary nature of the promotion or transfer and of the rights of the employee who is being replaced.
 - (d) Nothing in this subclause shall be construed as requiring an employer to engage a replacement employee.

(C) ADOPTION LEAVE

Nature of leave

(1) Adoption leave is unpaid leave.

Definitions

- (2) For the purposes of this subclause:
 - (a) "Employee" includes a part-time employee but does not include an employee engaged upon casual or seasonal work.

24 Parental leave(C)(2) - contd

- (b) "Child" means a person under the age of five years who is placed with the employee for the purposes of adoption, other than a child or step-child of the employee or of the spouse of the employee or a child who has previously lived continuously with the employee for a period of six months or more.
- (c) "Relative adoption" occurs where a child, as defined, is adopted by a grandparent, brother, sister, aunt or uncle (whether of the whole blood or half blood or by marriage).
- (d) "Primary care-giver" means a person who assumes the principal role of providing care and attention to a child.
- (e) "Spouse" includes a de facto spouse.
- (f) "Continuous service" means service under an unbroken contract of employment and includes:
 - (i) any period of leave taken in accordance with this clause,
 - (ii) any period of part-time employment worked in accordance with this clause, or
 - (iii) any period of leave or absence authorised by the employer or by the award.

Eligibility

- (3) An employee, upon production to the employer of the documentation required by paragraph (4) hereof shall be entitled to one or two periods of adoption leave, the total of which shall not exceed 52 weeks, in the following circumstances:
 - (a) an unbroken period of up to three weeks at the time of the placement of the child;
 - (b) an unbroken period of up to 52 weeks from the time of its placement in order to be the primary care-giver of the child. This leave shall not extend beyond one year after the placement of the child and shall not be taken concurrently with adoption leave taken by the employee's spouse in relation to the same child. This entitlement of up to 52 weeks shall be reduced by:
 - (i) any period of leave taken pursuant to subparagraph (a) hereof; and
 - (ii) the aggregate of any periods of adoption leave taken or to be taken by the employee's spouse;

the employee must have had at least 12 months continuous service with that employer immediately preceding the date upon which he or she proceeds upon such leave in either case.

24 - Parental leave(C) - contd

Certification

- (4) before taking adoption leave the employee must produce to the employer:
 - (a) (i) a statement from an adoption agency or other appropriate body of the presumed date of placement of the child with the employee for adoption purposes; or
 - (ii) A statement from the appropriate government authority confirming that the employee is to have custody of the child pending application for an adoption order.
 - (b) In relation to any period to be taken under subparagraph(3)(b) hereof, a statutory declaration stating:
 - (i) the employee is seeking adoption leave to become the primary care-giver of the child;
 - (ii) particulars of any period of adoption leave sought or taken by the employee's spouse; and
 - (iii) for the period of adoption leave the employee will not engage in any conduct inconsistent with his or her contract of employment.

Notice requirements

- (5) (a) Upon receiving notice of approval for adoption purposes, an employee shall notify the employer of such approval and within two months of such approval shall further notify the employer of the period or periods of adoption leave the employee proposes to take. In the case of a relative adoption the employee shall notify as aforesaid upon deciding to take a child into custody pending an application for an adoption order.
 - (b) An employee who commences employment with an employer after the date of approval for adoption purposes shall notify the employer thereof upon commencing employment and of the period or periods of adoption leave which the employee proposes to take. Provided that such employee shall not be entitled to adoption leave unless the employee has not less than 12 months continuous service with that employer immediately preceding the date upon which he or she proceeds upon such leave.
 - (c) An employee shall, as soon as the employee is aware of the presumed date of placement of a child for adoption purposes but no later than 14 days before such placement, give notice in writing to the employer of such date, and of the date of the commencement of any period of leave to be taken under subparagraph (3)(a) hereof.

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24 - Parental leave (C)(5) - contd

- (d) An employee shall, ten weeks before the proposed date of commencing any leave to be taken under subparagraph (3)(b) hereof give notice in writing to the employer of the date of commencing leave and the period of leave to be taken.
- (e) An employee shall not be in breach of this subclause, as a consequence of failure to give the stipulated period of notice in accordance with subparagraphs (c) and (d) hereof if such failure is occasioned by the requirement of an adoption agency to accept earlier or later placement of a child, the death of the spouse or other compelling circumstances.

Variation of period of adoption leave

- (6) (a) Provided the maximum period of adoption leave does not exceed the period to which the employee is entitled under paragraph (3) hereof:
 - (i) the period of leave taken under subparagraph (3)(b) hereof may be lengthened once only by the employee giving not less than 14 days notice in writing stating the period by which the leave is to be lengthened;
 - (ii) the period may be further lengthened by agreement between the employer and employee.
 - (b) The period of adoption leave taken under subparagraph (3)(b) hereof may, with the consent of the employer, be shortened by the employee giving not less than 14 days notice in writing stating the period by which the leave is to be shortened.

Cancellation of adoption leave

- (7) (a) Adoption leave, applied for but not commenced, shall be cancelled should the placement of the child not proceed.
 - (b) Where the placement of a child for adoption purposes with an employee then on adoption leave does not proceed or continue, the employee shall notify the employer forthwith and the employer shall nominate a time not exceeding four weeks from receipt of notification for the employee's resumption of work.

Special leave

(8) The employer shall grant to any employee who is seeking to adopt a child, such unpaid leave not exceeding two days, as is required by the employee to attend any compulsory interviews or examinations as are necessary as part of the adoption procedure. Where paid leave is available to the employee the employer may require the employee to take such leave in lieu of special leave.

24 - Parental leave (C) - contd

Adoption leave and other entitlements

- (9) (a) Provided the aggregate of any leave, including leave taken under this subclause, does not exceed the period to which the employee is entitled under paragraph (3) hereof, an employee may, in lieu of or in conjunction with adoption leave, take any annual leave or long service leave or any part thereof to which he or she is entitled.
 - (b) Paid sick leave or other paid authorised award absences (excluding annual leave or long service leave), shall not be available to an employee during the employee's absence on adoption leave.

Effect of adoption leave on employment

(10) Subject to this subclause, notwithstanding any award or other provision to the contrary, absence on adoption leave shall not break the continuity of service of an employee but shall not be taken into account in calculating the period of service for any purpose of any relevant award or agreement.

Termination of employment

- (11) (a) An employee on adoption leave may terminate the employment at any time during the period of leave by notice given in accordance with this award.
 - (b) An employer shall not terminate the employment of an employee on the ground of the employee's application to adopt a child or absence on adoption leave, but otherwise the rights of an employer in relation to termination of employment are not hereby affected.

Return to work after adoption leave

- (12) (a) An employee shall confirm the intention of returning to work by notice in writing to the employer given not less than four weeks prior to the expiration of the period of adoption leave provided by subparagraph (3)(b) hereof.
 - (b) An employee, upon returning to work after adoption leave shall be entitled to the position held immediately before proceeding on such leave or in relation to an employee who has worked part-time under this clause the position held immediately before commencing such part-time work.

Where such position no longer exists but there are other positions available which the employee is qualified for and is capable of performing, the employee shall be entitled to a position as nearly comparable in status and pay to that of the employee's former position.

24 - Parental leave (C) - contd

Replacement employees

- (13) (a) A replacement employee is an employee specifically engaged as a result of an employee proceeding on adoption leave.
 - (b) Before an employer engages a replacement employee the employer shall inform that person of the temporary nature of the employment and of the rights of the employee who is being replaced.
 - (c) Before an employer engages a person to replace an employee temporarily promoted or transferred in order to replace an employee exercising rights under this subclause, the employer shall inform that person of the temporary nature of the promotion or transfer and of the rights of the employee who is being replaced.
 - (d) Nothing in this subclause shall be construed as requiring an employer to engage a replacement employee.

(D) PART-TIME WORK

Definitions

- (1) For the purposes of this subclause:
 - (a) "Male employee" means an employed male who is caring for a child born of his spouse or a child placed with the employee for adoption purposes.
 - (b) "Female employee" means an employed female who is pregnant or is caring for a child she has borne or a child who has been placed with her for adoption purposes.
 - (c) "Spouse" includes a de facto spouse.
 - (d) "Former position" means the position held by a female or male employee immediately before proceeding on leave or part-time employment under this subclause whichever first occurs or, if such position no longer exists but there are other positions available for which the employee is qualified and the duties of which he or she is capable of performing, a position as nearly comparable in status and pay to that of the position first mentioned in this definition.
 - (e) "Continuous service" means service under an unbroken contract of employment and includes:
 - (i) any period of leave taken in accordance with this clause;
 - (ii) any period of part-time employment worked in accordance with this clause; or
 - (iii) any period of leave or absence authorised by the employer or by the award.

24 - Parental leave (D) - contd

Entitlement

- (2) With the agreement of the employer:
 - (a) A male employee may work part-time in one or more periods at any time from the date of birth of the child until its second birthday or, in relation to adoption, from the date of placement of the child until the second anniversary of the placement.
 - (b) A female employee may work part-time in one or more periods while she is pregnant where part-time employment is, because of the pregnancy, necessary or desirable.
 - (c) A female employee may work part-time in one or more periods at any time from the seventh week after the date of birth of the child until its second birthday.
 - (d) In relation to adoption a female employee may work part-time in one or more periods at any time from the date of the placement of the child until the second anniversary of that date.

Return to former position

- (3) (a) An employee who has had at least 12 months continuous service with an employer immediately before commencing part-time employment after the birth or placement of a child has, at the expiration of the period of such part-time employment or the first period, if there is more than one, the right to return to his or her former position.
 - (b) Nothing in subparagraph (a) hereof shall prevent the employer from permitting the employee to return to his or her former position after a second or subsequent period of part-time employment.

Effect of part-time employment on continuous service

(4) Commencement on part-time work under this clause, and return from part-time work to full-time work under this clause, shall not break the continuity of service or employment.

Pro rata entitlements

(5) Subject to the provisions of this subclause and the matters agreed to in accordance with paragraph (8) hereof, part-time employment shall be in accordance with the provisions of this award which shall apply pro rata.

Transitional arrangements - annual leave

(6) (a) An employee working part-time under this subclause shall be paid for and take any leave accrued in respect of a period of full-time employment, in such periods and manner as specified in the annual leave provisions of this award, as if the employee were working full-time in the class of work the employee was performing as a full-time employee immediately before commencing part-time work under this subclause.

24 - Parental leave (D)(6) - contd

- (b) (i) A full-time employee shall be paid for and take any annual leave accrued in respect of a period of part-time employment under this subclause, in such periods and manner as specified in this award, as if the employee were working part-time in the class of work the employee was performing as a part-time employee immediately before resuming full-time work.
 - (ii) Provided that, by agreement between the employer and the employee, the period over which the leave is taken may be shortened to the extent necessary for the employee to receive pay at the employee's current full-time rate.

<u>Transitional arrangements - sick leave</u>

(7) An employee working part-time under this subclause shall have sick leave entitlements which have accrued under this award (including any entitlement accrued in respect of previous full-time employment) converted into hours. When this entitlement is used, whether as a part-time employee or as a full-time employee, it shall be debited for the ordinary hours that the employee would have worked during the period of absence.

Part-time work agreement

- (8) (a) Before commencing a period of part-time employment under this subclause the employee and the employer shall agree:
 - (i) that the employee may work part-time;
 - (ii) upon the hours to be worked by the employee, the days upon which they will be worked and commencing times for the work;
 - (iii) upon the classification applying to the work to be performed; and
 - (iv) upon the period of part-time employment.
 - (b) The terms of this agreement may be varied by consent.
 - (c) The terms of this agreement or any variation to it shall be reduced to writing and retained by the employer. A copy of the agreement and any variation to it shall be provided to the employee by the employer.
 - (d) The terms of this agreement shall apply to the part-time employment.

Termination of employment

(9) (a) The employment of a part-time employee under this clause, may be terminated in accordance with the provisions of this award but may not be terminated by the employer because the employee has exercised or proposes to exercise any rights arising under this clause or has enjoyed or proposes to enjoy any benefits arising under this clause.

24 - Parental leave (D)(9) - contd

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(b) Any termination entitlements payable to an employee whose employment is terminated while working part-time under this clause, or while working full-time after transferring from part-time work under this clause, shall be calculated by reference to the full-time rate of pay at the time of termination and by regarding all service as a full-time employee as qualifying for a termination entitlement based on the period of full-time employment and all service as a part-time employee on a pro rata basis.

Extension of hours of work

(10) An employer may request, but not require, an employee working part-time under this clause to work outside or in excess of the employee's ordinary hours of duty provided for in accordance with paragraph (5).

Nature of part-time work

(11) The work to be performed part-time need not be the work performed by the employee in his or her former position but shall be work otherwise performed under this award.

Inconsistent award provisions

- (12) An employee may work part-time under this clause notwithstanding any other provision of this award which limits or restricts the circumstances in which part-time employment may be worked or the terms upon which it may be worked including provisions:
 - (a) limiting the number of employees who may work part-time;
 - (b) establishing quotas as to the ratio of part-time to full-time employees;
 - (c) prescribing a minimum or maximum number of hours a part-time employee may work; or
 - (d) requiring consultation with, consent of or monitoring by a union;

and such provisions do not apply to part-time work under this clause.

Replacement employees

- (13) (a) A replacement employee is an employee specifically engaged as a result of an employee working part-time under this subclause.
 - (b) A replacement employee may be employed part-time. Subject to this paragraph, paragraphs (5), (6), (7), (8), (9) and (12) of this subclause apply to the part-time employment of replacement employee.
 - (c) Before an employer engages a replacement employee under this paragraph, the employer shall inform the person of the temporary nature of the employment and of the rights of the employee who is being replaced.

24 - Parental leave (D)(13) - contd

- (d) Unbroken service as a replacement employee shall be treated as continuous service for the purposes of subparagraph (1)(e) hereof.
- (e) Nothing in this subclause shall be construed as requiring an employer to engage a replacement employee.

25 - LONG SERVICE LEAVE

Entitlement

(a) After a period of 10 years continuous employment, an employee is entitled to two months (8.67 weeks) long service leave. A further one month's leave is due for each additional five years service after the initial 10 years.

Persons covered

(b) Part-time and casual employees, or workers employed on any other basis with continuous service are entitled to long service leave benefits. The entitlement for casual employees only applied for period served since 9 May 1985 provided there is one or more continuous contracts of employment.

Termination after five years

(c) Proportionate leave is provided for service between five and 10 years when an employee is dismissed for any reason other than serious or wilful misconduct, or when the employee terminates or other pressing necessity or by death.

An employee who leaves for any other reason such as of their own free will or to take another job does not qualify for proportionate leave, unless pressing personal problems or financial necessity can be established.

Only adult service is considered in qualifying for over five years service, with "adult" defined as from age 21 or the receipt of not less than the adult award pay. If qualified, them all continuous service, including that as a junior, must be taken into account when calculating the leave entitlement.

Giving leave

(d) Leave must be given as soon as practicable, having regard to the needs of the employer's establishment.

Leave can be postponed if both parties agree, even until retirement date.

Leave of not less than one month can be taken in advance if both parties agree. The employer may deduct any over-payment from ordinary wages should there be a subsequent termination. An employer must give at least one month's notice of requiring leave to be taken. An employer cannot be compelled to give leave at short notice if it is not reasonable in the circumstances.

Leave must be in one continuous period unless both parties agree otherwise.

25 - Long service leave - contd

Holidays

(e) Annual leave entitlement continues to accrue on long service leave, and, if due, must be granted separately.

Any public holidays occurring during long service leave are to be added to the leave entitlement.

Payment

(f) Long service leave is payable at the full ordinary rate of pay being received at the date of commencing leave. Hence if there is a delay in taking leave, the current rate of pay may be much higher than at the due date.

However, if leave is postponed by mutual agreement, the parties may agree that the "ordinary pay" shall be calculated as at the date of agreement to postpone.

Ordinary pay is defined to include any payments to which employees have a contractual right by way of bonuses, incentives and overaward payment, but excluding amounts payable in respect of shift work, overtime or other penalty rates.

Payment must be in a lump sum to an employee upon termination or to the employee's proper representative in the event of death.

Payment in lieu of taking leave is prohibited, except upon termination.

Continuous service

(g) Continuous service is required to establish the leave entitlement.

Service is deemed continuous where a break in employment has been caused by illness or injury, or is part of the terms of employment, or by leave of the employer, or by the employer attempting to avoid liability.

Continuous employment is not deemed broken if caused by industrial dispute or stand down by reason of slackness of trade, or caused by employer for any other reason where the employee returns to service or is re-employed within two months.

Any other short break arising from dismissal or resignation and subsequent re-hiring does break continuity of service. Transfer from one company to a related company, or termination and re-joining a related company within two months.

Lengthy absences such as absent on leave without pay or extended sickens or on workers compensation count as continuous service unless there has been an implied or actual termination. These periods count as qualifying service. Maternity leave does not break continuous service. However, the period of maternity leave is not included in the length of service calculation. Part of the maternity leave period may be taken as paid long service leave, but the 52 weeks maximum period for maternity leave is not extended.

25 - Long service leave - contd

Savings

(h) Notwithstanding anything else contained in this clause no employee shall receive benefits less than what is provided for in the NSW Long Service Leave Act (as amended).

26 - BEREAVEMENT LEAVE

- (a) A permanent employee shall be entitled to a maximum of two days without loss of pay on each occasion and on production of satisfactory evidence of the death in Australia of the employee's husband, wife, father, mother, brother, sister, child, stepchild or parents-in-law or guardian. For the purposes of this clause the words "wife" and "husband" shall include de facto wife or husband and the words "father" and "Mother" shall include foster father or mother and step father or mother.
- (b) Provided further, an employee shall be entitled to a maximum of two days leave without loss of pay on each occasion and on the production of satisfactory evidence of the death outside of Australia of an employee's husband, wife, father or mother and where such employee travels outside of Australia to attend the funeral.

27 - SPECIAL LEAVE

- (a) Employees with disabilities shall be entitled to have reasonable paid time off to attend to matters relating to their pension or fringe benefits entitlement.
- (b) such time off shall be taken at times convenient to the employer and employees shall provide evidence of such attendance to the employer's satisfaction.

SECTION 5 - TRAINING

28 - TRAINING COMMITTEE

- (a) A training committee shall be established consisting of equal numbers of employer and employee representatives.
- (b) The role of the training committee will be to advise on the development of a training programme consistent with:
 - (i) the skills needs identified in the new classification structure;
 - (ii) the size, structure and nature of the operations of Flagstaff Group;
 - (iii) the establishment of skill related career paths and promotion opportunities;
 - (iv) the introduction of properly accredited training;
 - (v) the individual service plan.

28 - Training committee - contd

- (c) Subject to subclause 28(e) hereof such training shall be undertaken by employees in the employer's time and training resource materials will be paid for by the employer.
- (d) Training shall include where appropriate literacy and numeracy classes where this is seen necessary as a prerequisite for the further skill formation.
- (e) All employees in positions classified as grade 4 or above shall attend an employee meeting of two hours duration, four times per calendar year. Meetings will take place outside normal working hours and attendance will be unpaid. The employer will provide all participants with a light meal.

29 - TRADE UNION TRAINING

- (a) The employer shall allow 2 employees from each work site to attend trade union training classes conducted by the trade union training authority or any other training programme agreed between the union and the employer.
- (b) The attendance at such classes shall be limited to five days per employee per year.
- (c) Employees attending such training must be approved by the union but in any event discussion shall take place between the union and the employer concerning the appropriateness of the course.

SECTION 6 - HEALTH AND SAFETY

30 - HEALTH AND SAFETY COMMITTEE

- (a) The health and safety committee will be the forum where health and safety problems can be identified and resolved, and where safe systems and procedures can be suggested, developed and monitored.
- (b) Each Flagstaff Enterprise shall have at least one employee and one employer representative on the health and safety committee.
- (c) Each committee member will have been trained at an accredited course on the duties of health and safety committee members and their function, thus enabling an efficient and effective committee.
- (d) The committee shall meet once a month to discuss matters which have arisen from each enterprise and to continue to monitoring and implement health and safety standards.
- (e) Nothing contained in this clause shall prohibit action being taken either by the employer or employees to remedy a problem which in their view requires urgent attention.

31 - NON SMOKING POLICY

(a) In the interests of the health and safety of all employees, all Flagstaff sites will be no smoking workplaces. This shall include all work areas, including company vehicles (all smoke-free areas will be designated by appropriate signs.)

31 - Non smoking policy - contd

- (b) Smoking will be permitted outdoors during normal morning tea and lunch breaks.
- (c) Employees are to be informed of the hazards or active and passive smoking. Employees are encouraged, and will be assisted to cease smoking.
 - 32 PROTECTIVE UNIFORM, CLOTHING AND EQUIPMENT
- (a) Subject to subclause 32(d) hereof the employer shall provide the following work clothing to employees twice per year.

Male issue:

Overalls - drill cotton Overalls or bib and brace - cotton Work drill, trouser and work shirt - permanent press or other types of appropriate clothing.

Female issue:

Dress with zip front and tie waist - short sleeved Dress with zip front - short sleeved Bib and brace - cotton overalls Drill trouser and permanent press shirt or other types of appropriate clothing

- (b) Employees shall become entitled to such work clothing on the following basis:
 - (i) For administration and support staff after 3 months service.
 - (ii) For all other employees after 1 months service.
- (c) Notwithstanding subclauses (a) and (b) hereof the employer shall pay dry cleaning allowance of \$100.00 per year on 1 July for those employees who do not receive a clothing because:
 - (i) the nature of the work does not require it; or
 - (ii) alternative clothing is required because of size, etc.

An employer may deduct from the wages due to an employee on termination the cost of a replacement uniform for any uniform not returned by an employee on request by the employer.

(d) At all times the employer shall provide additional protective clothing and/or equipment which is designed to prevent injury.

33 - FIRST AID

Attendant

(a) An employer shall endeavour to have at least one employee trained to render first aid in attendance when work is performed at an establishment.

33 - First aid - contd

First aid outfit

(b) In each workshop, and at other places where employees are regularly employed, the employer shall provide and continuously maintain at a place or places reasonably accessible to all employees an efficient firs aid outfit. Provided that this subclause shall not apply to any employer who pursuant to any other award or determination or any State Act or regulations, provides an efficient first aid outfit.

First aid allowance

(c) An employee who has been trained to render first aid and who is the current holder of appropriate first aid qualifications such as a certificate from the St. John's Ambulance or similar body shall be paid a weekly allowance of \$7.60 if he is appointed by his employer to perform first aid duty.

34 - REHABILITATION

- (a) The employer is committed to assist all injured workers to return to work as soon as possible.
- (b) To facilitate the above the employer in consultation with the union shall:
 - (i) Provide occupational rehabilitation by accredited rehabilitation providers for injured employees who are expected to be off work for more than a short period. This rehabilitation should commence as soon as possible, in a manner consistent with medical recommendations.
 - (ii) Provide selected duties when practical, and as soon as safely possible, as an integral part of the rehabilitation process.
 - (iii) To consult with employees and where applicable their representative to ensure that rehabilitation of an injured person works effectively.
- (c) In addition to a commitment to rehabilitation the employer shall inform the employees of their rights under the Workers Compensation Act, which include the following:
 - (1) Right of choice of Doctor and rehabilitation provider.
 - (2) Access to interpreter services where appropriate.
 - (3) No dismissal within six months of injury, principally because of the injury, unless permanently unfit to return to that job.

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34 - Rehabilitation (c) - contd

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- (4) Access to approved re-training programme if suitable employment within the group is unattainable.
- (5) Participation in rehabilitation is voluntary, but non participation may result in reduced weekly benefits.
- (6) Participation in a rehabilitation programme will not of itself, prejudice an employee in either job security, promotion or Workers Compensation benefits.
- (7) All personal details relating to any claim shall be treated in a confidential manner.

SECTION 7 - GENERAL CONDITIONS

35 - AMENITIES

The employer shall provide the following accommodation and conveniences at each work site:

Boiling water

(a) The employer shall provide boiling water for employees at meal times.

Drinking water

(b) The employer shall provide for the use of employees in workshops a sufficient supply of wholesome cool drinking water from bubble taps or other suitable drinking fountains.

Lockers

(c) The employer shall at some reasonably convenient place on his premises provide a suitable locker for each employee in his workshop, or hanging facilities which afford reasonable protection for employees' clothes. In any case in which compliance with this paragraph necessitates the provision of lockers or new or improved hanging facilities, they shall be provided, unless the employer proves to the satisfaction of a Board of Reference that he is unable by reasons of shortage of material or labour or any other difficulties to provide such new or improved facilities, in which case their provision may be postponed for such period or periods as the Board of Reference determines.

Washing and sanitary conveniences

(d) The employer shall provide proper and sufficient washing and sanitary conveniences.

35 - Amenities - contd

Crib room

(e) The employer shall provide at each work site a well ventilated and sufficiently sizeable room to accommodate employees. Such crib room shall contain sufficient furniture and incidental conveniences which shall enable the employees to partake their meal break on the employer's premises.

BY THE COMMISSION:

DEPUTY PRESIDENT

SCHEDULE A - CLASSIFICATIONS

Grade 1

78.

A person engaged in this grade shall undertake up to 38 hours induction training which may include information on the group, conditions of employment, introduction to supervisors and fellow workers, training and career path opportunities, work site layout, work and documentation and procedures, occupational health and safety, equal employment opportunity and quality control/assurance.

An employee at this level performs basic routine duties essentially of a manual nature and to their level of training. Persons at this level exercise minimal judgement and work under direct supervision whilst undergoing structured training to grade 2.

Examples of duties at this grade include basic cleaning within a kitchen or food preparation area including cleaning of dishes and utensils, labouring, sorting, packing, labelling, clipping, document preparation and routine basic assembly tasks.

Grade 2

82.

An employee who has completed at least three months structured training so as to enable them to perform work within the scope of this level.

An employee at this level performs work above and beyond the skills of an employee at grade 1 and to the level of their training.

- Works under direct supervision either individually or in a team environment.
- Understands and undertakes basic quality control/assurance procedures including the ability to recognise basic quality deviations/faults.

Indicative of the tasks which an employee at this level may perform are the following:

Engineering

- Repetition work on automatic, semi-automatic or single purpose machines or equipment;
- Assembles components using basic written, spoken and/or diagrammatic instructions in an assembly environment;
- Uses selected hand tools;
- Rewind machine operator;
- Boiler cleaning;
- Uses hand trolleys and pallet trucks.

Schedule A - Grade 2 - contd

Micro film

- Document copying;
- Microfilm operator basic;
- Packaging, labelling and collating.

Catering

- Assistance to employees who are cooking and performing delivery tasks;
- Removing food plates;
- Cleaning and tidying of associated areas;
- Setting and/or wiping down tables;
- General clearing duties within a kitchen or food preparation area and scullery;
- Assembly and preparation of ingredients for cooking.

Leather and canvas goods

- Repetition sewing work on automatic, semi-automatic or single purpose machines (including basic operation of sewing machines) requiring some discretion with respect to kind, quantity, pressure, temperature or running speed;
- Rudimentary marking and hand cutting;
- Gluing (basic eyeletting) of small items;
- Manufacturer components and/or assembles to finish product;
- Die cutting using clicking press on canvas material within the scope of this grade;
- Sorting, checking and packing.

Clerical support

- Clerical or routine office duties including basic typing, checking figures, matching documents, simple calculating, collating, sorting or filing, photocopying and handling of mail;
 - Cashier and banking functions under direct supervision.

GRADE 3

87.49.

An employee who has completed relevant training so as to enable the employee to perform work within the scope of this level.

An employee at this level performs work above and beyond the skills of an employee at grade 2 and to the level of their training.

有一种的时候,那个是这种是一种的。我们就是这个是一个,我们就是这样的,我们就是这样的,我们就是一个,我们就是一个,我们就是一个,这个人,这个人,我们就会不过,他

Schedule A - Grade 3 - contd

- 1. Is responsible for the quality of their own work subject to routine supervision;
- 2. Works under routine supervision either individually or in a team environment;
- Exercises discretion within their level of skills and training.

Indicative of the tasks which an employee at this level may perform are the following:

Engineering

- Operates machinery and equipment requiring the exercise of skill and knowledge beyond that of an employee at grade 2;
- Non-trade engineering skills;
- Sorting, checking, packing (other than repetitive packing in a standard container of containers in which such goods are ordinarily sold);
- Basic soldering techniques;
- Boiler attendant;
- Operation of fork-lifts, roving pendant type overhead cranes and winch operation;
- Assist one or more tradespersons;
- Third class machinists and/or welding operation, drilling/tapping machine operators;
- Rewind machine operators.

Catering

- Specialised non cooking duties in a kitchen or food preparation area;
- Elementary cooking including finger take-away food.

Leather and canvas goods

- Operates machinery and equipment requiring the exercise of skill and knowledge and judgement in the layout of product beyond that of an employee at grade 2;
- Operates heavy duty and special duty application sewing machines including bias binders;
- Ability to perform basic machine setting skills and control adjustments;

Schedule A - Grade 3 - contd

- Assists one or more tradesperson;
- Die cutting using click press on canvas material with discretion, within the scope of this grade.

Micro film

- Microfilm camera operator;
- Microfilm jacketing;
- Dark room operators.

Clerical and support

- General clerical office duties within a regular work routine such as typing, operates a switchboard and basic data entry;
- Receiving, despatching, documenting and recording of goods.

Grade 4

92.49.

An employee who has completed relevant training so as to enable the employee to perform work within the scope of this level.

An employee at this level performs work above and beyond the skills of an employee at grade 3 and to the level of their training.

- Works from complex instructions and procedures;
- Assists in the provision of on-the-job training to a limited degree;
- Co-ordinates work in a team environment or works individually under general supervision;
- 4. Is responsible for assuring the quality of their own work.

Indicative of the tasks which an employee at this level may perform are the following: \hdots

Engineering

- Uses precision measuring instruments;
- Some machine setting, loading and operation;
- Use of tools and equipment within the scope (basic non-trades) maintenance;
- General welding to A5 1554 standard at basic level;
- Second class machinist operators;

Schedule A - Grade 4 - contd

- Paint line operator;
- Basic engineering and fault finding skills;
- Performs basic quality checks on the work of others;
- Licensed and certified for fork-lift, engine driving and crane driving operations to a level higher than grade 3;
- Has a knowledge of the employer's operation as it relates to production process;
- Lubrication or production machinery equipment;
- Assist in the provision of on-the-job training in conjunction with tradesperson and supervisors/trainees.

Catering

- Undertaking general waiting duties of food including cleaning of tables with minimum supervision:
- Assist in cookery class demonstrations;
- Basic cooking under general supervision.

Leather and canvas

- "Cutter" who has knowledge of all types and weights of materials made and used in the trades and who is capable of laying out and cutting all types of material or work and who can mark out and prepare for the machinery and the finish for the work concerned;
- Lays out, cuts, assembles and repairs canvas and related products such as awnings, tents, tarpaulins, horse rugs and caravan annexes;
- Lays out full scale drawings according to blueprints or sketches;
- Cuts materials with power cutters;
- Die cutting using clicking press (on leather where the employee is required to exercise discretion as to the kind and quality of material cut);
- Minor machine maintenance including lubrication of (automatic and semi-automatic) production equipment.

Clerical and support

- duties of audio typing, stenography, complex word processing, spread sheet and basic data processing, desk top publishing, tabulating machine operation, computer operator;
- Clerical duties under limited supervision.

Schedule A - contd

Grade 5

A person at this level shall hold trade certificate or equivalent qualifications and is able to exercise the skills and knowledge of that trade.

Indicative skills include the following:

- Understands and applies quality control techniques;
- Exercises good interpersonal communications skills;
- 3. Exercises discretion within the scope of this grade;
- 4. Performs work under limited supervision either individually or in a team environment;
- Operate all lifting equipment incidental to their work;
- Performs non-trade tasks incidental to their work;
- Performs work which while primarily involving the skills of the employee's trade is incidental or peripheral to the primary task and facilitates the completion of the whole task. Such incidental or peripheral work would not require additional formal technical training;
- 8. Able to inspect products and/or materials for conformity with established operation service standards.

Typical duties may include:

Engineering

All relevant trades and associated duties.

Catering

- "Gourmet Chef" engaged in cooking, baking, pastry cooking or butchering duties;
- Specialised catering and cookery demonstrator.

Leather and canvas

Clerical and support

- Advanced clerical duties including administration assistance, the supervision of office personnel and the checking of work;
- Work under limited supervision, receives limited instructions, is regularly required to exercise little guidance, exercises substantial responsibility and independent initiative and judgement and posses a requisite knowledge of office procedures.

Schedule A - contd

Grade 6

An employee who possesses trade qualifications or equivalent experience and skill to be capable of :

- (a) Assessing the ability, skill and competence of a person with a disability to carry out specific work tasks or duties together with being able to design, develop and provide individual training for a person with a disability as required to assist the person in attaining their identified vocational goals.
- (b) Performing specialist tasks and is fully competent in his/her work, requires general supervision and little direct guidance in the performance thereof, exercises substantial responsibility and independent initiative and judgement with a requisite knowledge of their specific field and of the employer's business.

Positions typically considered grade 6 include:

- Training/instructor Purchasing officer;
- Developing officer;
- Marketing officer;
- . "Commi" chef.

Grade 7

An employee who is responsible for the work of other employees. Such an employee shall hold trades certificate or equivalent qualifications experiences and skill level and have completed formal training in personnel supervision.

Employees graded at this level may be expected to:

- Organise, motivate and control subordinate staff;
- Understand and apply quality control techniques;
- Exercise good interpersonal and communication skills;
- . Implement a subordinate's Flagstaff employee plan;
- . Capable of operating all equipment used by subordinates.

Fact Sheet

The National Disability Insurance Scheme for people aged 65 and over





Key Points

- If you are aged 65 years and over, you are not eligible to access the National Disability Insurance Scheme (NDIS).
- If you are aged 65 years and over, and you currently receive disability supports, you will not be disadvantaged. You will continue to receive supports that achieve similar outcomes to those you currently receive.

What happens to my supports if I am aged 65 years or over when the NDIS rolls out in my area?

The National Disability Insurance Agency (NDIA) is the agency responsible for determining NDIS eligibility. To become an NDIS participant, you must meet residency and disability or early intervention access requirements and be under 65 years when you enter the NDIS.

You are not required to do anything at this stage and services will continue as normal.

The important thing for people with disability aged 65 years and over to know is that if you are currently receiving specialist disability supports, you will not be disadvantaged. You will continue to receive supports that achieve similar outcomes to those you currently receive.

If you are 65 years and over and do not currently receive specialist disability support, or you are diagnosed with a disability after the age of 65 years, you will receive support from the Commonwealth aged care system.

When will the Continuity of Supports (CoS) program be in place across NSW?

Arrangements between NSW and the Commonwealth governments for Continuity of Supports for people over 65 has been agreed.

The CoS program was introduced in the Hunter New England, Nepean Blue Mountains regions and Southern NSW in December 2016.



Fact Sheet

The National Disability Insurance Scheme for people aged 65 and over





We expect the CoS program to be in place in the:

- Central Coast, Northern Sydney, Western Sydney and South Western Sydney areas from 1 May 2017
- Illawarra / Shoalhaven, Mid North Coast, Murrumbidgee areas and Western NSW from 1 December 2017
- Far West NSW, Sydney, Northern NSW and South Eastern Sydney areas from 1 May 2018.

What happens if I turn 65 years after I become an NDIS participant?

If you turn 65 years after you have become an NDIS participant, you will have a choice. You can either continue to receive disability supports in the NDIS or receive supports through the Commonwealth aged care system.

What happens to my supports if I choose to continue as a participant in the NDIS after I turn 65 years?

Nothing. Your supports continue as they did before you were 65 years of age.

Where can I get more information?

To find out more information, contact the Department of Health on email CommonwealthCoS@health.gov.au.

You can also speak to your service provider for more information.

Service providers can contact their local FACS Contract Manager or email the Commonwealth directly at CommonwealthCoS@health.gov.au.





Inclusive Employment 2012-2022

A vision for supported employment



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Contact details

Phone: 1300 653 227

Email: fahcsiafeedback@fahcsia.gov.au

Post: Department of Families, Housing, Community Services and Indigenous Affairs

Tuggeranong Office Park

PO Box 7576, Canberra Business Centre, ACT 2610

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Inclusive Employment 2012-2022

A vision for supported employment

By 2022, Australia will have a supported employment framework that provides economic and social participation benefits for people with disability, and for Australia.

People with disability will have access to a supported employment framework that fully supports and enables their participation and inclusion in Australian society by providing services to obtain and retain quality employment.

The supported employment system will align with other national frameworks that exist to provide support to people with disability, such as the National Disability Agreement, the National Disability Strategy, and the National Disability Insurance Scheme.

Minister's foreword



The stories and experiences of Australians with disability, their families, carers and the people who work with them have been a driving force for my work as Minister. Because of the voices of people like you, this government has, step by step, worked to reform the system of disability care and support – from the ground up.

We have delivered historic increases to the Disability Support Pension and Carer Payment, and introduced new and up to date impairment tables for assessment. We have worked with our colleagues in the states and territories to negotiate a new National Disability Agreement, which sees a doubling of funding from the Australian Government for disability care and support, and the National Disability Strategy, a ten year plan to realise the rights of people with disability. And we have started work to build a National Disability Insurance Scheme.

Each of these changes refocus the system of disability care and support to ensure that it's people with disability, their families and carers who come first. The ten year Vision outlined in this document is a critical first step in moving Australian Government funded Australian Disability Enterprises towards this person-centred future.

Inclusive Employment 2012-2022: a vision for supported employment articulates a significant change in the way the Australian Government supports people with disability in employment. Inclusive Employment will ensure people with disability control the assistance they get to support them in employment, and have real options and choices about their future working lives.

Intensive consultations and the report of an independent Advisory Group have informed our Vision. People with disability, their families, Australian Disability Enterprises, advocates, academics, and the broader community have all contributed. I wish to acknowledge the efforts of all stakeholders and thank you for contributing to an important debate about how to make sure people with disability get the support they need in employment.

In defining this Vision, we have looked long and hard at where we have come from. We have reflected our strong commitment to the United Nations Convention on the Rights of Persons with Disability, and the National Disability Strategy. These factors, along with our work toward an National Disability Insurance Scheme, mean we have had to come to terms with some of the challenging issues that lie at the heart of the current system of supported employment.

We believe that a fundamental priority is supporting individuals to reach their full potential in both economic and community life. At this point in time, the Australian Government invests more than \$220 million in Australian Disability Enterprises to deliver supported employment for people with disability. These organisations have a long and proud history and will continue to have a place in the Australian disability service system.

Inclusive Employment – our Vision - is about making sure that people with disability always get the best outcomes, and are supported to make good choices. People with disability will be at the centre of a National Disability Insurance Scheme. People with disability will also be at the centre of *Inclusive Employment*.

Parliamentary Secretary's foreword



Over the past 18 months, many of you have been involved in the process of developing this new Vision for supported employment. I thank you all for your attendance at consultation sessions, your written feedback to the process, and your letters. In particular, I would like to thank the independent Advisory Group, chaired by Professor Lesley Chenoweth, for their hard work and effort in considering the issues raised at consultation, and the strategic advice provided in their report released in February 2012. The passion and commitment of all who are connected with the disability sector has been evident throughout the process, and I invite you all to work with the Australian Government in delivering the new Vision for Supported Employment over the next decade.

Since commencement of consultations I have had many conversations with people with disability, their families and carers, including workers at Australian Disability Enterprises. I have also had many conversations with managers at Australian Disability Enterprises, representative bodies, advocates and other stakeholders.

I have listened to the various points of view and it is clear all stakeholders express they want the best for people with disability. What this means, in my view, is that people with disability, as experts in their own lives, should have more control and get the assistance they want. Employment is about economic and social participation and people want good working conditions, including decent wages, hours that suit their lifestyles, and the ability to make social connections. I believe, from my conversations, that people with disability share their aspirations to work, but need some support to achieve this.

And so, the starting point for this vision is the right to work. As articulated in the United Nations Convention, people with disability have "the right to the opportunity to gain a living by work freely chosen in the labour market" (Article 27). For many people with disability they will choose to seek that employment in the open labour market, however I believe there is a continued role for Australian Disability Enterprises to provided supported employment to people with disability who choose to work in these enterprises. And there is no doubt that many people are happy with the current services provided by Australian Disability Enterprises.

However, we have a wonderful challenge and a wonderful opportunity ahead of us as we move together towards National Disability Insurance Scheme. The development of a National Disability Insurance Scheme challenges us all to ask the question: how can we provide genuine choice and control to people with disability about how they are supported in their employment?

Australian Disability Enterprises provide employment for more than 20,000 people with disability. For some people with disability, they take this option because there is no other. This will not be the case in an National Disability Insurance Scheme world. By 2022, a fully-fledged National Disability Insurance Scheme will have been up and running for some years, and its model of individualised, self directed funding will be a reality. In adapting to this new reality, we need our Australian Disability Enterprises to be employers of choice.

I see the job of government and employers as making sure the supports are there to assist in making this happen. We all must unhook ourselves from our ideas of what we think is best for individuals, their families and carers. We must allow people with disability to make decisions about their employment future for themselves, to remake our role as facilitators and to unblock those 'disabling barriers' to full participation. Our job is to create the environment, the pathways and the supports that will assist people with disability achieve their employment goals in the role of their choosing.

I look forward to the brave new world of an National Disability Insurance Scheme. One of the many measures of its success will be our ability to facilitate good careers for people with disability.

Senator the Honourable Jan McLucas Parliamentary Secretary to the Prime Minister Parliamentary Secretary for Disability and Carers

Introduction – why change is needed

The disability agenda in Australia has changed significantly in the past five years. The Australian Government has committed to the United Nations' Convention on the Rights of Persons with Disability. The Council of Australian Governments supports the development and monitoring of a National Disability Strategy to give practical effect to the Convention. In 2011, Council of Australian Governments also made a commitment to a National Disability Insurance Scheme and in 2012, the Australian Government announced the first stage of a National Disability Insurance Scheme will start in mid-2013. Internationally, similar developments have seen the reform of disability employment systems in countries including the United Kingdom and New Zealand.

These commitments and developments provide very clear guidance about the way disability services should be delivered in the modern world, as well as affirming the rights of people with disability as citizens and active, participating members of society.

Key themes influencing current disability policy thinking in Australia as a result include:

- choice should be a key feature in funding and service delivery: that is, people with disability should have control of their own lives and the services that support them
- specialist supports should deliver mainstream inclusion wherever possible.

While many people with disability, their families and carers, express satisfaction with the current supported employment system, this does not mean change is not desirable. While investment in supported employment has increased over time, wage outcomes have risen slowly, and hours of work for supported employees have actually decreased. In addition, people with disability are not always getting the right support at the right time. Some older workers, for example, are 'stuck' because of a lack of alternate supports outside their existing enterprise employment. Some people with disability have expressed boredom with their job, a desire to try something new, and to move into the open employment market.

In 2022, Australian Disability Enterprises will look different to what they do today. Organisations will have adapted to a new environment, where people with disability choose where they work, who provides their employment support, and how. Australian Disability Enterprises will have changed the way they operate, and the supports they offer, to attract people with disability as purchasers of employment support from their organisation.

This document outlines a new Vision for *Inclusive Employment*. It recognises that the time has come, in line with other Australian Government commitments, to put people with disability front and centre of program delivery.

How we got here

In 2009, the Australian Government released a National Mental Health and Disability Employment Strategy. The development of an Australian Government Vision for supported employment was a key commitment as part of the Strategy.

In mid 2010, a discussion paper was launched, and an independent Advisory Group was appointed to provide strategic advice to the Australian Government in the development of a Vision. A consultation process was conducted with 39 worker meetings, 9 family/carer meetings and 30 individual interviews. 270 workers were consulted face to face, along with nearly 90 family members/carers. Over 600 written submissions were received, with 80 per cent from people with disability.

Feedback canvassed a wide range of issues and concerns, including access, transitions into and out of work, wages paid, the type of work available, training and development opportunities, business viability, and other factors influencing participation in employment, including transport and income support.

The Advisory Group commenced their deliberations in December 2010, and a number of significant policy developments occurred during the period of their deliberations.

In February 2011, all Australian governments agreed to the National Disability Strategy (NDS) through the Council of Australian Governments (COAG). The NDS aims to give practical effect to the United Nations Convention on the Rights of Persons with a Disability and includes a commitment to economic security, including employment for people with disability.

Six months later, the Australian Government released the Productivity Commission's report into a National Disability Care and Support Scheme in August 2011. The Commission's final report recommended that Australian Disability Enterprises be included within a National Disability Insurance Scheme. Therefore, the potential implications of an National Disability Insurance Scheme required significant consideration, resulting in an extension of the timeframe for delivery of the Vision.

The Advisory Group finalised its report to the Australian Government which was released in February 2012. In considering the report, the Australian Government has given particular consideration to the intersection between its recommendations for supported employment and the design of a National Disability Insurance Scheme.

Inclusive Employment 2012-2022

a vision for supported employment

What is the Australian Government's vision for supported employment?

By 2022, Australia will have a supported employment system that provides economic and social participation benefits for people with disability, and for Australia.

People with disability will have access to a supported employment system that fully supports and enables their participation and inclusion in Australian society by providing services to obtain and retain quality employment.

The supported employment system will align with other national frameworks, that exist to provide support to people with disability, such as the National Disability Agreement, the National Disability Strategy, and the National Disability Insurance Scheme.

By 2022 the Australian Government will:

- have launched a National Disability Insurance Scheme which will drive change in supported employment
- focus on individuals with disability to ensure that they get the supports needed
- direct funding to individuals, allowing them to select employment supports for themselves
- allow people with disability to make choices about where they want to work, about who supports them in employment, and how. Choices may include working:
 - in a job of their own choosing in the public or private sector
 - in an Australian Disability Enterprise
 - in a social enterprise or similar environment
 - in their own micro-business, or
 - in a family run business.
- implement a new definition of supported employment as recommended by the independent Advisory Group: 'ongoing support, funded by government that people with disability need in order to access and retain employment. This support is related to the nature of their disability'
- remove the barriers between the terms 'open' and 'supported' employment for people with disability who need ongoing support to find and maintain work.

By 2022 the Australian Government expects:

- people with disability in supported employment will have higher wage outcomes, and higher average hours of work
- there will be increased community awareness and inclusion of people with disability
- there will be **higher levels of employment of people with disability** in both the public and the private sector
- there will still be specialised organisations that have their origins in Australian Disability Enterprises, but they will have adapted to be more responsive to the demands of their employees with disability.

Areas of focus for the Australian Government in shaping the future of supported employment

The Australian Government has identified four key areas for transformation to achieve the Vision.

- 1. **Employment supports** for people with disability
- 2. Employment outcomes for workers with disability
- 3. **Removal of barriers** for people with disability
- 4. Sustainable systems to support people with disability

1. Employment supports for people with disability

Now

In 2012, Australian Government funding for supported employment is currently:

- fixed to a location i.e, a physical Australian Disability Enterprise which means equitable access across the country is currently not possible
- not tied to improving wage outcomes
- not tied to increasing hours of work
- inflexible at transition points, particularly at entry and exit points, and
- often not flexible enough to allow people with disability to choose what job they do.

The future

In 2022, employment supports will be:

- linked to the needs of eligible people with disability
- delivered through a range of organisations, businesses and environments
- chosen by the person with disability, and delivered in the environment of their choosing
- flexible and responsive over the life course of the individual
- outcomes focused that is, aimed at maximising wage outcomes and hours of work
- assisting the accruing of superannuation for future retirement, and
- aimed at building a career path and assisting the person with disability to achieve their full potential.

How will we know we have achieved these goals? By 2022 there will be:

- employment supports that meet the needs of people with disability
- a diversity of employment placements for people with disability
- expressed satisfaction of the person with disability with their employment supports in terms of flexibility, quality and career path
- increased average hours of work for program participants
- increased average wage outcomes for program participants.

2. Employment outcomes for workers with disability

Now

In 2012 the employment outcomes being delivered are:

- an average hourly wage rate for workers with disability in supported employment of \$3.65
- average working hours for people with disability in supported employment of 24 hours a week
- 300 people per year moving from supported employment for the open labour market
- working conditions range from very good to less than desirable
- few supported employees with Australian Qualifications Framework (AQF)
 qualifications, and
- largely, places of employment where all workers are people with disability.

The future

In 2022 the employment outcomes that will be delivered include:

- average hourly wage rate for workers with disability will have increased
- average hours of work per week for people with disability in supported employment will be comparable to those without disability
- successful pathways between 'supported' and 'open employment'
- all workplaces employing people with disability will consistently be safe and comply with Occupational Health and Safety regulations
- the numbers of people with disability accessing supported employment holding AQF qualifications will be comparable to the working age population without disability
- workers employed in environments of their own choosing.

How will we know we have achieved these goals? By 2022:

- workers with disability will all receive an hourly rate of pay that increases over time in line with that of the general working population
- the average hours of work for people with disability receiving employment supports will be the same as the wider workforce (currently 33 hours per week)
- people with disability will be employed in a wide range of environments and industries across the labour market
- workplaces employing people with disability will comply with relevant OHS legislation
- the number of working age people with disability holding a AQF qualification or higher will be the same as the general working age population.

3. Removal of barriers for people with disability

Now

In 2012 the barriers that exist for people with disability trying to access supported employment include:

- the way wages, income support payments and other supports (for example, public housing rent prices) work together means that some people with disability choose to not work, or decrease their working hours to minimise the risk of losing income support payments and other benefits
- the choices made by people with disability, families and carers are often based on concerns of risk and funding loss, meaning some people with disability do not have the opportunity to reach their full potential
- the community expectations of employment for people with disability generally are low
- uneven transitions which frequently require the foregoing of one service type to access another, and
- geographical access: a person with disability must live near an Australian Disability
 Enterprise to access supported employment.

The future

In 2022 barriers will be removed to ensure that:

- income, social supports and employment will work together to promote economic participation
- people with disability will prepare for, and expect, a working life like other Australians
- people with disability, their families and carers, will not see employment as a 'risky' choice
- people with disability will manage their own funding and will be able to organise their own transitions at a time when they are ready, and
- a person with disability assessed as eligible for supported employment will be able to identify their own employment opportunities within their local community, including in regional and rural locations.

How will we know we have achieved these goals? By 2022:

- the numbers of people with disability participating in the labour force will have increased significantly
- education systems and community expectations will result in the increase of the proportion of people with disability in employment after school, and a decrease in the proportion of people with disability referred to non-employment options
- there will be increased expenditure on employment supports by people with disability, and the type of support that is procured
- there will be an increased variety of occupations and working environments people with disability engage with as a result of their employment supports.

4. Sustainable systems to support people with disability

Now

In 2012 the systems that operate in delivering supported employment require:

- organisations that deliver supported employment to have a funding agreement with the department, and to demonstrate compliance
- a determination of the price of support by the Australian Government
- no minimum qualification for disability support workers in Australian Disability Enterprises
- a determination of the quality of services by the Australian Government through an independent quality assurance system.

The future

In 2022 the systems that operate in delivering supported employment will:

- allocate funding to individuals. There will be a limited relationship between the Government and organisations providing employment support.
- see the price for employment support determined between the person with disability and the supplier
- likely require a minimum qualification for support staff employed by people with disability
- still retain quality assurance, but the main assessor of quality will be the person with disability buying the service, and
- see that all levels of Government will have procurement policies in place to encourage buying quality goods and services from organisations and businesses employing people with disability.

How will we know we have achieved these goals? By 2022:

- we will be collecting information on the expenditure on employment supports by people with disability, and the type of support that is procured
- we will be tracking expenditure on employment supports, including costs for comparable types of support
- disability organisations will be geared towards the provision of flexible services and self directed supports for people with disability
- we will see an increase in the number of disability support staff with qualifications
- we will hear expressed satisfaction of the person with disability with their employment supports in terms of flexibility, quality and career path
- we will see increased procurement from organisations employing people with disability at all levels of government.

Let's start

We know we have a lot to do to make these changes happen. We also know that if we do not start moving to make these changes, an National Disability Insurance Scheme is likely to force them over time.

We believe the best strategy is preparing to meet change through transition.

What will happen to achieve this future?

We will work closely with people with disability, their families and carers, their representative organisations, advocates and service providers.

We will work closely with all levels of government.

We will closely align supported employment with the structural and cultural changes as the foundations are laid for a National Disability Insurance Scheme.

We will test how supported employment might be better delivered through a wide range of environments, locations, and with people with different types of disability.

We will test how funding for supported employment might be directed by people with disability.

We will test how to best empower people with disability, their families and carers, to make informed choices about their employment future, and how those choices fit within the rest of their lives, and at different points in their life course.

We will evaluate how new ways of delivering supported employment might help people with disability achieve a career path, and achieve better employment outcomes.

We will provide ongoing information, education and advice to organisations, people with disability, their parents and carers.

We will create transition supports and strategies for organisations, people with disability, their families and carers.

We will use research to drive innovation and best practice and to implement a structure that supports this vision for the future.