Modern Awards

**What is a modern award?**

A modern award is a document which sets out the minimum terms and conditions of employment on top of the National Employment Standards (NES). Modern awards came into effect on 1 January 2010.

Modern award provide entitlements such as:

- pay
- hours of work
- rosters
- breaks
- allowances
- penalty rates
- overtime.

**Who is covered by a modern award?**

Modern awards apply to all employees covered by the national workplace relations system.

Modern awards are industry or occupation-based, and apply to employers and employees who perform work covered by the award.

You can find out which modern award applies using our Award Finder Tool.

Managers or higher income employees may not be covered by a modern award even if one applies to the industry in which they work.

**When modern awards don’t apply**

A modern award will outline all the terms and conditions of employment for most employers and employees.

If the business is covered by a registered agreement, it is usually the case that the conditions of a modern award are no longer relevant. However, if the base rates of pay in an agreement are lower than those in the relevant modern award, the base rates of pay in the modern award will apply.

Some employers and employees will not be covered by an award or registered agreement. When an employee is not covered by an award of agreement, they are considered to be award an agreement free. In these situations, the National Minimum Wage and the NES will form the minimum terms and conditions of employment.

**Are there any transitional arrangements?**

While modern awards came into effect on 1 January 2010, the then Australian Industrial Relations Commission (AIRC) allowed for transitional arrangements over a five-year period to assist affected employers and employees in the move to the modern award system.

Transitional arrangements in most modern awards meant that rates of pay and certain other conditions were phased in over time. The majority of these arrangements ended on 1 July 2014.

The Fair Work Commission (FWC) has since made other rulings which have added further transitional arrangements to some awards. All employers and employees should consult their relevant modern award for specific transitional arrangements, including state-based differences.

If you require assistance, contact the Fair Work Infoline on 13 13 94 or, alternatively, speak to your trade union or employer organisation for advice. For a list of registered organisations, see our registered organisations page.

**Keeping up to date**

All employers and employees are responsible for keeping up-to-date with the modern awards, any associated transitional arrangements, and future changes, for example, to the annual minimum wage.