

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 awards 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 <u>Find my award tool</u> at fairwork.gov.au/findmyaward

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 and agreement free. In these situations, the National Minimum Wage and the NES will form the minimum terms and conditions of employment.

Find out more about the entitlements for <u>award and</u> <u>agreement free employees</u> at fairwork.gov.au/awardfree

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 the <u>Fair Work</u> <u>Commission website</u> at fwc.gov.au/registeredorganisations/find-registered-organisation

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. You can <u>subscribe to email updates</u> for your award at fairwork.gov.au/emailupdates

CONTACT US

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on **13 14 50**

Hearing & speech assistance

Call through the National Relay Service (NRS): For TTY: **13 36 77**. Ask for the Fair Work Infoline

13 13 94

Speak & Listen: **1300 555 727**. Ask for the Fair Work Infoline **13 13 94**

The Fair Work Ombudsman is committed to providing you with advice that you can rely on. The information contained in this fact sheet is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or a workplace relations professional.

Last updated: March 2023 © Copyright Fair Work Ombudsman