

# MASTERCARE INDUSTRIAL BULLETIN

This bulletin addresses the:

- [Cleaning Services Award 2010](#)
- [Clean Start Collective Agreement](#)

Late in 2009, changes in industrial regulations were brought about by the [Fair Work Act 2009](#) and the LHMU [Liquor and Miscellaneous Workers Union] Clean Start Collective Agreement. Since then, further updates have come to Mastercare's attention. We include them here, for your information:

## Cleaning Services Award 2010

The Australian Industrial Relations Commission released orders on 17 November 2009 regarding transitional arrangements that will apply from 1 January 2010. This order was delayed in the Commission for some time while various unions and employer groups made submissions regarding transitional clauses and savings provisions. The main parts of this decision are listed below:

### Transitional Clauses 2010 - 2015

- The Modern Award establishes a common hourly rate that is uniform across all States. In some States, this will result in significant pay increases. Any employee in Australia who is covered under the Cleaning Services Award will be paid the same rates and allowances by 1 January 2015, ie. the end of the five-year transition period.
- Transitional clauses set out the manner in which these wage increases will be paid over a maximum period of five years, to allow employers to manage the impact. This is particularly important in those States and Territories where the Modern Award introduces rates which represent significant increases in employees' wage entitlements. For example, a part-time cleaner in South Australia and Western Australia will be entitled to the 15% part-time allowance under the new Cleaning Services Award. Previously, the SA and WA State Awards (referred to as Notional Agreements Preserving State Awards) did not have a part-time allowance provision. On the basis that the part-time loading is compensation for the non-payment of overtime when a cleaner is rostered to work up to 7.6 hours, five days per week or 38 hours per week, this allowance became applicable to part-time day cleaners from 1 January 2010. The shift rate for part-time cleaners will be phased in over the full five years by an additional 3%, or 46 cents per year, for the full five years. This means that part-time shift cleaners in SA and WA will have an increased rate of 18% from 1.1.2010, 21% from 1.1.2011, 24% from 1.1.2012, 27% from 1.1.2013 and 30% from

1.1.2014. This equals the base rate plus the 15% part-time allowance and the 15% shift loading.

- Over the five year phasing-in period that the transition period allows (2010-2015), minimum wage increases from 1 July 2010 will apply in addition to the increases that are specified under the Cleaning Services Award, as these decisions are handed down by the Full Bench of the Industrial Relations Commission and apply to all minimum wage earners.

### **Savings Clauses**

- This provision will maintain any higher rates of pay being applied to employees as at 31 December 2009.
- The savings clause is mainly directed to New South Wales, the ACT and Tasmania, where higher rates are provided for by the relevant awards. For example, a part-time day cleaner in NSW and the ACT has a higher rate than the rate set out in the Award. These rates will be frozen until the rate in the Award for the same work is equal to or greater than the saved rate or 31 December 2014 (whichever occurs first).
- The savings clause also saves the various State-based shift work definitions, where that definition is more beneficial than the Award provision. It is important to note however, that these definitions are intended only to apply for as long as the employee is entitled to a higher saved rate. Once the Award rate is equal to, or greater than, the saved rate, then the shift definitions in the Award will also apply. These rates will apply to persons employed in the contract cleaning industry as at 31 December 2009 and the employee involved will continue to be entitled to such rates when a contract changes and the employee accepts employment with the incoming contractor.

### **Clean Start Collective Agreement 2010**

Mastercare is a signatory to the Clean Start Agreement, and this Agreement shall displace the Cleaning Services Award (the Modern Award) in the CBD precinct of all major capital cities. This Agreement cannot become operative unless certain conditions are met and the Industrial Relations Commission rules that these conditions are satisfied. As of 1 January 2010, Clean Start became operative in all States and Territories.

The Property Council of Australia (PCA) has indicated that it supports the Clean Start Agreement, and many State Government instrumentalities throughout Australia require contractors to be signatories of Clean Start as a condition of tender and for the award of new contracts.

The Clean Start Agreement is similar to the wage structure of the modern award, and establishes an objective of common wage and allowances paid to all employees throughout Australia over a transition period. As with the Modern Award, this objective is subject to a

transition period and will result in some significant wage increases applying in certain States.

In the event that minimum wage increase decisions applying from 1 July 2010 exceed the pay rates that are contained within the Clean Start Agreement, under the Fair Work Australia Bill, the Industrial Relations Commission can rule that the rates contained within the Agreement are to be increased to ensure no employee is disadvantaged due to being covered under Clean Start. Therefore, all future increases will flow into both the Modern Award and the Clean Start Agreement.

## **Summary**

From 1 January 2010, all employees will be covered under the Cleaning Services Award or the Clean Start Agreement, other than those workplaces (contracts) where Mastercare holds a current Union collective agreement.

Contract rates will need to be varied to reflect the wage increases and the additional statutory costs that attach to these wages (superannuation, payroll tax and workers compensation insurance).

Should you have any queries or concerns please do not hesitate to contact Mastercare directly.

The information contained in this bulletin is considered to be accurate at the time of publication however the content is intended for guidance only and no person should rely solely upon this information without further seeking advice or making other informed enquiries.