



Union of Security Employees

USETLJ – Melbourne

13 – 16 August 2014



Wage setting in Australia

Individual arrangements

can't undermine awards/NMW/collective agreement.

Collective bargaining

at the enterprise level – covers around 42% of workers.

Awards

minimum wages and conditions by industry.

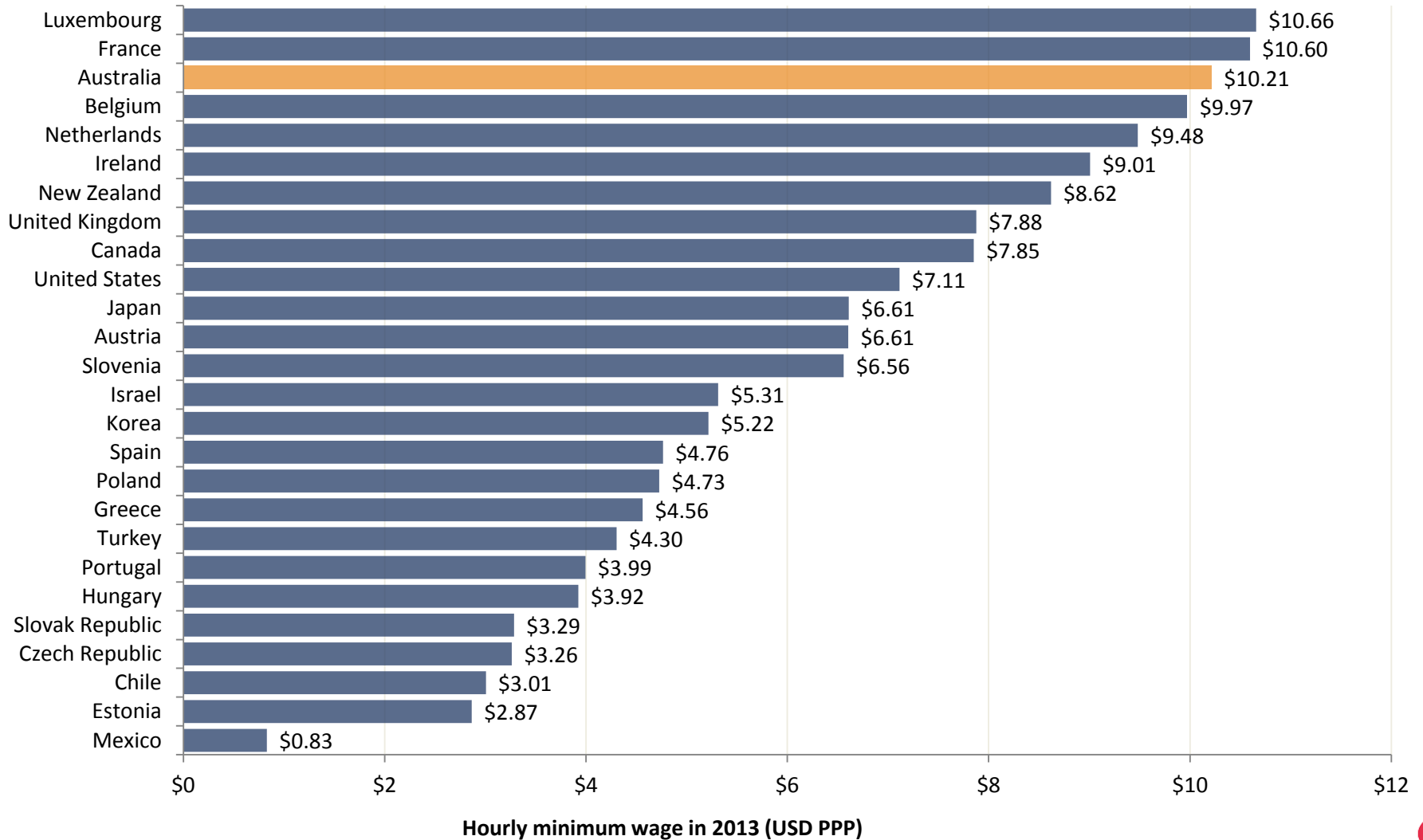
National Minimum Wage

for adults. AU\$16.87 per hour, AU\$640.90 per week.

Lower minimum wages

for young people, some people with disability, apprentices and trainees.

Australian minimum wage in context



Australia's Safety Net has Three Components:

**National
Employment
Standards**

**National
Minimum
Wage**

**Modern
Awards**

Safety net – Three Components

1. The National Employment Standards (NES) provide ten legislated employment conditions covering essential conditions:

- Maximum weekly hours (38 Hours per week)
- Requests for flexible working arrangements
- Parental leave and related entitlements
- Annual leave; Personal/ careers leave and compassionate leave;
Community service leave; Long service leave
- Public holidays
- Notice of termination and redundancy pay
- Provision of a Fair Work Information Statement



Safety net – Three Components

2. The National Minimum Wage

- Provides a minimum wage for Award/ Agreement-free employees
- About 1.1% of the workforce are on the National Minimum Wage
- Current National Minimum Wage is AUD\$16.87/hour (\$640.90/ week)
- It is just about half of the full-time median earnings
- It is reviewed every year by the Commission and takes effect on 1 July



Safety net – Three Components

3. Modern Awards

- 122 Awards operate nationally across industries
- Currently covers around 16% of the workforce
- Those earning > AUD\$133,000 p.a. are free to agree on terms of employment without reference to Award (NES still apply)
- Awards reviewed every four years – the first four yearly review commenced this year (2014)



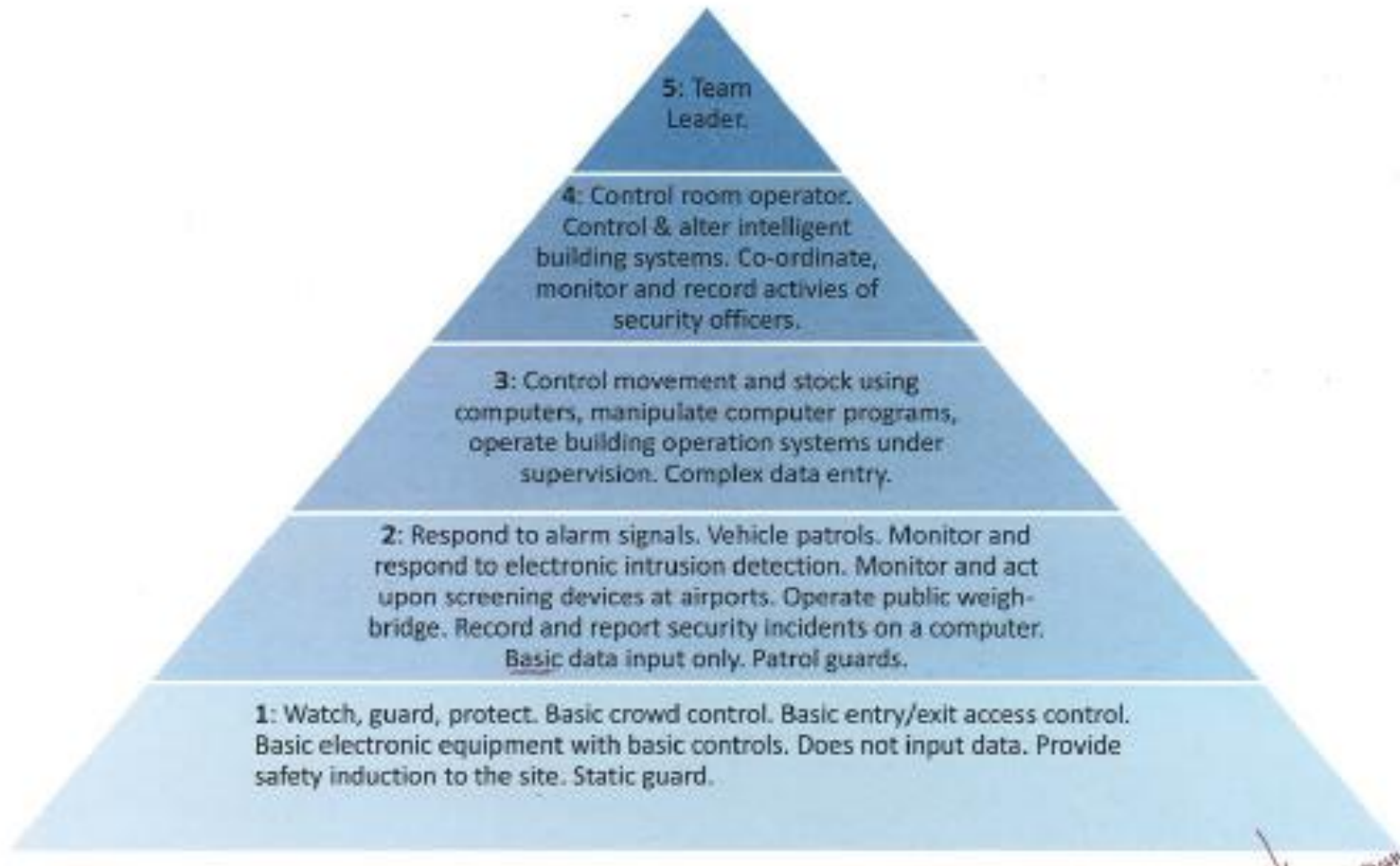
Security Services -Full Time and Part Time

1 July 2014

Classification	Minimum Hourly Rate (AUD)	Saturday - ordinary time (AUD)	Sunday - ordinary time (AUD)	Public holiday (AUD)
Security officer level 1	\$18.95	\$28.43	\$37.90	\$47.38
Security officer level 2	\$19.49	\$29.24	\$38.98	\$48.73
Security officer level 3	\$19.82	\$29.74	\$39.65	\$49.56
Security officer level 4	\$20.16	\$30.23	\$40.31	\$50.39
Security officer level 5	\$20.81	\$31.21	\$41.61	\$52.01



Security Modern Awards Classification



Enforcement

Dedicated labour inspectorate protected by law
– the Fair Work Ombudsman (FWO)

Ombudsman has the power to inspect pay records

Can and does take employers to court
– they can be fined & ordered to back pay

Also has an advisory and education role

Unions play a role in enforcement



Wage Setting Impacts To Sector

Minimum wages still considered insufficient

No agreement on “living wage” – how much is enough

Short-term gains (unions’ position) vs long term sustainability and profitability (company’s argument)

Minimum wage demands increase wage costs → Off-shoring of labour intensive operations (e.g. car manufacturing – Toyota, Holden, Ford)



Impact of Wage Awards In Sector

PROS

Provides consistency in skills, job scope and wage

Level playing field

Better conditions for employees

Allows employees and employers to have a common basis for discussion

CONS

Need service buyers' support

Increased cost of labour

Buyer agreements not BSI but hard to change



Union Perspective

Australian Council of Trade Unions (ACTU) – National Centre
United Voice – Union for Security Officers

ISSUE 1

Increasing wages and professionalising the industry

Feedback

1. Industrial Award and Collective Bargaining

- Industrial Award has 5 Tier Structure for SOs: skill, job scope and salary
- SO can contact FWO or the Union if they feel they are paid unfairly
- Additional allowances for OT, meals and specialised skills training, e.g. First Aid
- Casual workers get 25% more (to cover loss of other benefits)
- Wage reviews are done annually
- Ave of 38 working hours per week (12hrs shift common), 4-5 days/week
- SOs generally earn 5% > Cleaners
- Union targeted top 4 major Security Agencies for CA (MSS, Wilson, ISS & G4S)



Union Perspective

Australian Council of Trade Unions (ACTU) – National Centre
United Voice – Union for Security Officers

2. “Safeguard” brand – Professional Security is an Investment
 - Security Agency can use this “Safeguard” stamp only if they sign CA
 - Union invested resources and effort to market and educate buyers
 - The “Safeguard” SO sees Security as a profession, earns higher wages
 - Buyer willing to pay premium
 - Retention of SO in “Safeguard” SA higher



Employer Perspective

Australian Chamber of Commerce and Industry – Employer Union
MSS Security – Security agency

ISSUE 1

Minimum Wage

Feedback

- Lack of flexibility (e.g. even in bad market conditions, have to wait for the annual review)
- High MW affects investment, Australia's competitiveness
- Add-on cost (e.g. OT @ 2 x wage on weekends) is a major concern.



Employer Perspective

Australian Chamber of Commerce and Industry – Employer Union
MSS Security – Security agency

ISSUE 2

Increasing labour cost

Feedback

- Current Govt is not pro-labour, so industry has to respond on their own, e.g. productivity drive/schemes
- Transfer cost to clients in new contracts
- Some buyers reduce guards on weekend or negotiate roster cycle working arrangements (ie work 5 days, rest 2 days)



Government Perspective

Fair Work Commission (FWC) – National workplace relations tribunal

Fair Work Ombudsman (FWO) – Independent statutory agency

Department of Employment – MOM equivalent

ISSUE 1

Enterprise Award (single enterprise; industry wide; greenfield similar to pioneer industries arrangement in Singapore)

Feedback

- Companies' responsibility to inform the employees on content of agreement
- The company and union will both administer the agreement
- Company cannot pass off conditions already stated in industrial award as a CA term
(Better Off Overall Test – BOOT)



Government Perspective

Fair Work Commission (FWC) – National workplace relations tribunal

Fair Work Ombudsman (FWO) – Independent statutory agency

Department of Employment – MOM equivalent

ISSUE 2

Minimum wages

Feedback

- Lowering MW does not increase employment (ie unemployed stay unemployed)
- Evidence does not suggest that wages correspond with the competitiveness of the country



Government Perspective

Fair Work Commission (FWC) – National workplace relations tribunal

Fair Work Ombudsman (FWO) – Independent statutory agency

Department of Employment – MOM equivalent

ISSUE 3

Implementation of Security Industry Award

RESPONSE

- Onus on SAs to ensure SO has adequate qualifications
- The award specifies the skills required but not the route to achieve those skills
- The wage distribution between the bands are narrow to allow progression
- 5 levels negotiated and agreed to by SAs and unions.
- FWC need to take into account the opinion and direction of national government and the state government



Government Perspective

Fair Work Commission (FWC) – National workplace relations tribunal

Fair Work Ombudsman (FWO) – Independent statutory agency

Department of Employment – MOM equivalent

ISSUE 4

FWO enforcement issues

Feedback

- Responsibility is on the company to keep to the law or CA
- Some SAs cut costs by paying SO less than MW (willing buyer, willing seller)
- FWO investigates both service buyers and SAs when complaints received
- FWO can and have taken them to court
- Many violations are a result of ignorance and misunderstanding



Government Perspective

Fair Work Commission (FWC) – National workplace relations tribunal

Fair Work Ombudsman (FWO) – Independent statutory agency

Department of Employment – MOM equivalent

ISSUE 5

Outsourced industry issues

Feedback

- FWO conduct random auditing checks
- FWO ran educational campaign (via media) targeted at Service Providers & Buyers
- FWO ensures that all the entitlements are given to worker in full before end of contract (ie end of employer-employee relationship)

