

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Budget Estimates 2010-2011**

**Outcome 5 - Workplace Relations**

**DEEWR Question No.EW0197\_11**

**Senator Abetz asked on 31/05/2010, Hansard page 83.**

**Question**

**MODERN AWARDS**

Senator ABETZ—Yes; but there is no pre-existing rate for a new employer with a brand new business. Say that it is a new business with a new employer and new employees—brand spanking new, with no pre-existence of anything. That new employer in that new business would be entitled to pay at the modern award rate, would he or she not? Senator ABETZ—And the transitional provisions would not apply. Mr Kovacic—I would want to confirm that. I would take that on notice, just in terms of the precise operation of transitional provisions in that relevant modern award.

**Answer**

Under the transitional provisions in modern awards, new employers that commenced business after 1 January 2010 are required to pay employees the rate they would have been entitled to under the award that would have applied to them had the employer been in business and employed the employee before 1 January 2010. These transitional provisions apply to wages as well as loading and penalty payments (i.e. casual or part-time loadings; weekend, public holiday, evening or other penalties; and shift allowances).

From 1 July 2010, any difference between the old award rate and the modern award rate will be phased-in over a 5 year transitional period. Modern award rates affected by this transitional arrangement will be payable in full from 1 July 2014.