

This Bulletin covers:

- **Executive Summary Transitional Provisions and wage rate increases effective from July 2014**
- **Impact of annual wage increase to modern awards - The Review**
- **The Federal Government minimum Superannuation Guarantee Rate Change effective from July 2014**
- **Next Step**

In this bulletin we look at the Modern Cleaning Award transitional rate provisions and the application of these in the fourth operative year of the award, in July 2014.

The Federal Government minimum Superannuation Guarantee Rate Changes from 9.25% to 9.50%, in July 2014.

All bulletins can be found and downloaded from Menzies web page by using the following link [www.menziesgroup.com.au](http://www.menziesgroup.com.au) .

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### **Executive Summary**

The minimum employment standards for cleaners are covered in the Modern Award, and the only exception to this is where a collective agreement is operative and has been registered by the Fair Work Commission. In the majority of cases, the Modern Award is the industrial instrument that regulates the pay rates and other minimum conditions of employment.

1. The Modern Award increases may not apply under the contract that we hold at your worksite, because the cleaners may be covered under a different industrial agreement. If this is the case then no action is required and this industrial bulletin is for your information only.
2. If the cleaners are covered under the modern award, then wages will be increased in accordance with the prescribed transitional increases which are prescribed in the award. Depending upon the State or Territory that the award operates, these increases apply either in July or January in each year until 2014.

These transitional increases are published by the Fair Work Commission, and are available on the Government's web page.

3. The new wage rates, superannuation guarantee increase of 0.25% and associated changes in on costs shall apply from 1 July 2014, and Menzies contract price shall vary where contractually permitted to reflect this at the same.

### **Impact of Annual Wage Increase to the Modern Awards – The Review**

The employer must apply any and each increase in minimum wages as determined by the Fair Work Commission under the annual review to the modern award rates. The revised modern award rate is then subjected to the phasing-in process. The Fair Work Commission has received all submissions in relation to proposed minimum

wages and is reviewing these submissions before setting the minimum wage increase decision, which we anticipate will be in early June 2014. The payment of the annual review does not replace or negate the requirement to comply with the transition phasing-in of rate increases as set out in the award.

**Superannuation Guarantee Rate Change from 9.25% to 9.50%**

As announced in the 2014 Federal Budget, the Government will be incrementally increasing the Superannuation Guarantee rate over the next 5 years to a rate of 12%.

For the payroll year commencing 1st July 2014, the Super Guarantee rate will increase by 0.25% to 9.50%. The employer must apply the minimum superannuation rate of 9.50% effective from 1 July 2014.

Menzies contract price shall vary where contractually permitted to reflect associated changes in on costs as a result of these rate changes.

**Next step**

We await the announcement of the annual wage review determination by the Fair Work Commission, and the detail of the decision concerning the wage increase, timing of the increase and any special arrangements that relate to industry sectors.

We do not consider that any immediate action is required until this full bench decision is announced, however should you wish to address any matters with Menzies which relate to your cleaning arrangements please do not hesitate to contact us directly.

When we have further information we will be in contact.

**Menzies International (Aust) Pty Ltd May 2014**