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Vice President Hatcher
Fair Work Commission
11 Exhibition Street
MELBOURNE VIC 3000

By email: chambers.hatcher.vp@fwc.gov.au

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Dear Vice President

AM2016/13 – Annualised Wage Arrangements

We act for the Chiropractors' Association of Australia (National) Ltd (**CAA**).

We refer to the above matter and the decision issued by the Full Bench of the Fair Work Commission (**Commission**) on 20 February 2018, which amongst other things invited further submissions on the decision.¹

The CAA seeks to formally withdraw its application to include an annualised wage arrangement in the *Health Professionals and Support Services Award 2010 (HPSS Award)*, for reasons including that:

1. As recognised by the Commission, an annual reconciliation requirement obviates most (if not all) of the benefits for an employer of an annualised wage arrangement.²

Rather than achieving more administrative simplicity, employers would have the burdensome tasks of having to keep comprehensive records of the hours worked by each employee and then calculating wages owed under the HPSS Award for the entire year and making up any shortfall.

In this regard we note that the chiropractic industry is dominated by micro- and small-businesses and the viability of practices is sensitive. These businesses do not usually employ any dedicated human resources or payroll professionals.

Given these circumstances, the CAA submits that businesses will rarely have the capacity to undertake the reconciliation requirement.

2. Contrary to the submissions made by United Voice, employees in the chiropractic industry never work in hospital environments. To the CAA's knowledge, there are no chiropractors that are credentialed for such work and accordingly, chiropractors will generally only work in their

¹ 4-yearly review of modern awards - *Annualised Wage Arrangements* [2018] FWCFB 154, [148].

² Ibid, [119].

own practice, another private practice or a multi-disciplinary private practice.

The hours worked by chiropractic employees are predictable and do not consist of hours which to a significant degree would be subject to overtime, weekend, evening or other penalty rates. Accordingly, the CAA submits that model clauses 3 and 4 are not the most appropriate mechanism for annualised wage arrangements in the chiropractic industry.

3. The CAA also sees no reason why the arrangement would apply only to full-time employees. In the CAA's submission, the correct distinction is between permanent and casual employees. There is nothing anomalous or unusual about part-time employees receiving an annualised wage. In the CAA's submission, such a restriction runs contrary to the need to promote flexible modern work practices.

Notwithstanding that the CAA seeks to formally withdraw its application to include an annualised wage arrangement, the CAA reserves its rights to make further submissions if the Commission nevertheless proposes to include an annualised wage arrangement in the HPSS Award.

Yours faithfully

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