

The Shop, Distributive and Allied Employees' Association

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NATIONAL PRESIDENT  
Joe de Bruyn

NATIONAL SECRETARY  
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22 December 2016

The Hon. Justice Ross,  
President Fair Work Commission  
11 Exhibition Street  
Melbourne VIC 3000

Dear President Ross,

**Re: AM2016/8, 4 yearly review of modern awards – Payment of wages**

The SDA writes in response to the directions provided at items 1-4 of paragraph [198] of the Full Bench Decision [2016] FWCFB 8463 issued on 1 December 2016 regarding the 4 yearly review of modern awards – Payment of Wages.

While the SDA is broadly supportive of the Commission developing a model clause for the payment of wages we would like to make some comments in response to the above decision.

Paragraph 47 of the decision contemplates replacing existing provisions for payment with the model term in all modern awards or with an appropriately adapted version of the existing payment arrangements. The first example of an adapted model term provided is the General Retail Industry Award (GRIA). It is the SDA's strong preference that the Commission adopt the use of appropriately adapted model terms in Awards where payment arrangements currently exist.

This would assist in providing clarity to employers and employees without changing existing entitlements and obligations and would help to ensure a stable modern award system. The GRIA provides a good example of this, particularly in relation to the inclusion of a monthly pay cycle. In the adapted provision this is restricted to those employees who were paid on a monthly pay cycle prior to 1 January 2010. The model term provides monthly pay by agreement.

The SDA has significant concerns about the introduction of a monthly pay cycle in Awards where there is no existing provision for this:

- A monthly pay cycle would not provide an appropriate safety net for low paid workers.
- The majority of low paid workers live from pay cycle to pay cycle and extending the pay cycle from weekly or fortnightly to monthly is likely to be financially unmanageable for most and could create financial insecurity and harm

- It would not meet the modern awards objective of providing a fair and relevant safety net.
- A monthly pay cycle would be particularly detrimental to those employed on a casual basis and those employed in lower classifications in awards who get the lowest wages.
- In the retail and fast food industries many part-time employees are engaged on contracts with a low number of hours. These employees regularly work additional hours. A monthly pay cycle for these employees may also be problematic.

The SDA supports and adopts the submissions of the ACTU.

We have not made specific comments in relation to the effect of the provisional model term on all of the Awards we have an interest in and would like to reserve our right to do so at the appropriate time, as per paragraph 50 of decision.

Yours sincerely,



JULIA FOX  
NATIONAL ASSISTANT SECRETARY