

Re: Notice for Clients - Award Modernisation

As you may be aware the Australian Industrial Relations Commission on instruction from the Federal Government has, over the past year, embarked upon a program of making modern awards relating to Industry groups.

These new modern awards will apply to all corporations employing people within a specified industry, and in the nominated classifications, throughout Australia. Coupled with the minimum National Employment Standards (NES) new modern awards will form the minimum standards for all employees. No doubt your industry will have a new modern award, which will require a change to your workplace relations.

Our business along with most others in the Security Industry will be bound by the new *Security Services Industry Award 2010 (SSIA)*, on and from 1 January 2010. We will no longer be bound by the Award in the New South Wales/Queensland.

Rates of Pay, shiftwork penalties, casual loadings and overtime payments have changed, making it necessary to discuss with you how these will impact on our service delivery and costs over time.

As the new Award has already come into effect and transitional arrangements are in place until 2014 we must ensure that we comply with the requirements of the SSIA and the Fair Work Act 2009 as we move forward.

We are committed to providing our clients with the best professional service while ensuring our workforce is paid in accordance with their legal entitlements. Paying employees less than their minimum entitlements at law is illegal.

Those employers who for whatever reason choose to pay less than award rates or involve themselves in "sham contracting" arrangements, expose themselves to litigation, fines and convictions which could render them unable to continue to provide security services to their clients.

Fair Work Inspectors are targeting employee records and pay slips leading into more substantive issues such as rates of pay, penalties and allowances and adherence to awards or approved workplace agreements. They are also look at sham contracting arrangements.

In New South Wales/Queensland any individual purporting to be a security business, including ABN holders and Corporations, must have a security industry master license.

When security providers engage in underpayment of wages, cash in hand payments and/or sham subcontracting, the adverse effects are felt by all stakeholders. Employees are rarely well trained, often are unlicensed and staff turnover is high. Insurance cover and indemnity for the client are often voided or compromised. **The security provider and the client are exposed to potential litigation and possible fines if the employee makes a complaint and/or if the Fair Work Ombudsman, ATO or other agencies conduct compliance audits.**

As a member of the Australian Security Industry Association Ltd. (ASIAL) we are committed to meeting our legal obligations, providing a professional security service and following sound business principles based on good corporate governance.

When security providers fail to observe their legislative responsibilities it is fair to ask whether they will provide the service to clients with the same attitude towards meeting their contractual obligations to the client and acting contrary to providing a security service is really about i.e. compliance with the law, professionalism and integrity.

In some states clients who knowingly engage contractors who fail to observe employment legislation may be exposed to being joined to litigation from affected employees or “so-called” contractors.

We are happy to discuss with you how our organisation can offer the professional security service that ensures excellent service levels, sound management and compliance with laws.

Yours sincerely



Michael Daric
Director