

Public Sector Consultancy Branch

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OVERAWARD PAYMENTS - ENGINEERING AWARD -STATE

This Circular sets out the arrangements for overaward payments to employees in Queensland Government Departments engaged under the Engineering Award - State. It does not apply to those agencies which have eliminated inconsistencies in over award payments through enterprise bargaining.

A review by DEVETIR of overaward payments under this award has revealed that there have been different approaches taken by Departments in absorbing wage increases into overaward payments since the Minimum Rates and Broadbanding Adjustments process. This has meant that some employees at the same classification level, with similar overawards at the start of the process, now receive different overaward payments.

The Government has now decided on a course of action which will over time remove the inconsistencies in overaward payments.

From 27 November 1995, a standard overaward payment of \$21.10 per week will apply in addition to the award rate of pay to present and future employees engaged under this award.

No employee engaged since the freeze on overaward payments, advised by this Department on 4 May 1994, should, until now, have received an overaward payment. New employees, including those engaged between 4 May 1994 and 27 November 1995, should receive \$21.10 per week from 27 November 1995.

SIPS, ALL PURPOSE ALLOWANCE AND TRADES ALLOWANCE

The overaward payment of \$21.10 per week is in substitution of Service Incremental Payments, All Purpose Allowance and Trades Allowance. However, if Departments had commenced a SIPS process for any employees prior to 4 May 1994, when overawards were frozen, or the date on which Departments implemented the freeze, the payments should continue until the final increment is paid. The amount, after the final increment is paid, will

exceed \$21.10 per week but will be maintained as that employee's over award payment.

Apprentices who commence a SIPS process will continue to receive the proportionate amount of SIPS. However, on completion of the apprenticeship, if subsequently appointed to a position, they should receive the award rate plus an over award payment of \$21.10 per week.

The overaward will be paid by administrative arrangement and will not become part of the Award. The overaward payment is part of the total wage rate and is included for all purposes in calculating entitlements.

IMPLEMENTATION

To ensure that the introduction of a standard overaward payment causes no disadvantage to any employees, the following conditions will apply **from 27 November 1995:-**

- Employees who currently receive less than \$21.10 as an overaward payment are to be brought up to the level of \$21.10;
- Employees who currently receive no overaward payment are to receive \$21.10;
- New employees will receive an overaward payment of \$21.10;

- Employees who receive more than \$21.10 as an overaward payment will continue to receive this amount, (except on reclassification, see below) while they are employed under the award by their current employer;
- Other than through reclassification, the overaward payment is not to be absorbed against future safety net adjustments or wage increases (excluding enterprise bargaining increases).

RECLASSIFICATION

Example 1

From the C11 level the increase to C10 is \$31.70
The employee's current overaward payment at C11 may be \$34.00

Result -New overaward payment is \$23.40
i.e. Difference between \$34.00 and \$31.70 is \$2.30
\$2.30 plus \$21.10 = \$23.40

Amounts greater than \$21.10 will be absorbable into the increase, up to a maximum equivalent to the amount of the increase, but the remainder, and the minimum of \$21.10 will be retained.

Example 2

From the C11 level the increase to C10 is \$31.70
The employee's current overaward payment is \$21.10

Result - overaward payment remains at \$21.10

GEOFF KENNEY
Director

The Public Sector Consultancy Branch exists to provide policy advice and consultancy and training services to Queensland Government departments and agencies. It is part of the Division of Labour Market Reform of the Department of Employment, Vocational Education, Training and Industrial Relations.

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