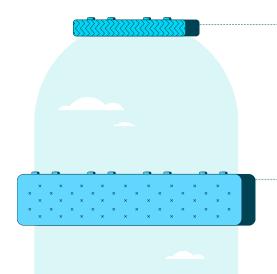
Understanding employee pay and entitlements

Most employers and employees in Australia are covered by the Fair Work system. This system sets and protects an employee's minimum pay and entitlements.

It can help to think of the Fair Work system like a stack of blocks, with each block building on the entitlements set by the ones below it.

Here's what it looks like all together.



Employment contracts

Employment contracts are agreed between an employer and an individual employee, usually in writing.

They can provide higher pay and entitlements that build on the blocks below, and can include things like additional benefits, employee duties and work location. They can't reduce or remove any pay rates or entitlements set by the blocks below, even by agreement.

Enterprise agreements

Enterprise agreements set pay and conditions for a particular workplace.

They are negotiated between employers, employees and their representatives and must be approved by the Fair Work Commission. To be approved, employees must be better off overall under the enterprise agreement than under any relevant award.



Awards set out minimum pay rates and entitlements for a particular industry or occupation.

They automatically apply to employees doing the type of work described in the award.

Awards don't apply if the employee and employer are covered by an enterprise agreement.



The National Minimum Wage is the minimum pay rate for employees who don't have an award or enterprise agreement. This does not apply to many employees, as most employees' pay rates come from an award or enterprise agreement.

National Employment Standards (NES)

The National Employment Standards are the legal minimum standards that must be provided to all employees.

The NES includes entitlements like leave, maximum weekly hours, notice of termination and redundancy pay. Some NES entitlements don't apply to casuals.





Who can help?

If you have questions, problems at work or want to make an enterprise agreement, there are two agencies that can help.

The Fair Work Ombudsman is the national workplace relations regulator.

They:



provide information and advice about workplace laws



They:

set the national minimum wage



offer free online tools and education



make and vary awards

The Fair Work Commission is the national workplace relations tribunal and registered organisations regulator.



assist to resolve disputes about pay and entitlements



support enterprise bargaining



recover underpayments and guide parties to compliance



approve enterprise agreements





deal with workplace disputes and issues like unfair dismissal, bullying, sexual harassment, discrimination and workplace rights



take action to enforce compliance where required.



deal with matters about regulated workers.



For more, visit: www.fairwork.gov.au



For more, visit: www.fwc.gov.au



For videos and related resources, visit the Commission's Online Learning Portal at learn.fwc.gov.au.

The information contained in this document is general in nature and accurate at the time of preparation. If you are unsure about how it applies to your situation you can call the Fair Work Ombudsman on 13 13 94 or speak with a union, industry association or a workplace relations professional. Last updated: October 2024.



