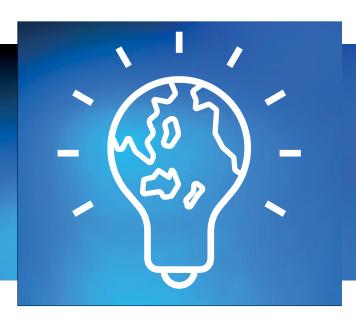


Business Research and Innovation Initiative

Fact sheet

Workplace Relations Usability Challenge



Challenge summary

The Department of Employment and Workplace Relations (DEWR) is seeking new and innovative solutions that can improve the user experience of interacting with modern awards. The challenge is to make it easier for employers and employees, specifically in small and medium sized enterprises (SMEs), to find relevant modern award information, apply it to their situation, and respond to changing work circumstances or changes to modern awards that may result in different pay rates and conditions applying to their employees.

A solution to this challenge has the potential to be adopted by a significant number of businesses to support them in navigating their existing legal obligations under modern awards. SMEs employ 42% of the private sector workforce² and thus contribute significantly to the pay and conditions experienced by many Australians. End users could also include larger businesses who pay their employees under the modern award system or non-employing small businesses seeking to hire their first employee under a modern award.

Employees, and those who support them (e.g., unions and community legal centres), may also seek to utilise the solution to better understand their client's pay and entitlements obligations. SMEs in certain industries are more likely to pay their employees under the modern award system including in retail, fast food, hair and beauty, cleaning services, aged care, children's services, nursing, hospitality, real estate, protective services and horticulture.

The scope for innovation in this BRII challenge is wide. Innovative solutions could range across areas of natural language processing, chatbots, machine learning, regulatory technology, data analytics and visualisation. The aim in each of these areas would be to make modern award information more easily accessible and responsive to specific SME contexts, as well as reducing as many manual steps as possible.

Potential themes

Artificial intelligence, machine learning, advanced data analytics, unstructured data processing, image recognition, optical character recognition, natural language processing, interoperable

systems, workflow automation, chatbots, blockchain and smart contracts.

Overview of challenge

Modern awards are legal instruments that set out the rights and responsibilities of many National System employees and employers. Collectively, they contain minimum rates of pay and other conditions of employment for at least 2.7 million employees across different industries and occupations. There are 121 industry and occupation based modern awards. Modern awards provide entitlements such as pay, hours of work, parameters for rostering, breaks, allowances, penalty rates, and overtime.

Modern award entitlements are on top of the National Employment Standards that apply to all National System employees. Employees under a modern award must be provided with, at minimum, their full entitlements under that modern award. While these are predominantly monetary entitlements there are also specific conditions which must be met in certain circumstances, including ordinary hours of work and rostering.

¹Changes to modern awards arise from Fair Work Commission decisions – such as determinations varying modern awards and updates to minimum pay rates arising from Annual Wage Review decisions.

² Australian Small Business and Family Enterprise Ombudsman. Contribution to Australian Employment. 2022. <u>Microsoft Word - Contribution to Australian Employment August 2022 (003) (004).docx (asbfeo.gov.au)</u>

For instance, the following extract from the Hospitality Industry (General) Award 2020 provides an example of how additional rest breaks must be provided under that award:

16.7 Additional rest break

An employer must give an employee an additional paid rest break of 20 minutes if the employer requires the employee to work more than:

- (a) 5 continuous hours after an unpaid meal break; or
- (b) 2 hours' overtime after the employee finishes their rostered hours.

NOTE: For the purposes of clause 16.7(b) the overtime worked does not compound on the break entitlements under clause 16.2.

EXAMPLE: An employee who works a 7 hour shift, followed by 3 hours of overtime will be entitled to breaks as follows:

- (a) for the 7 hour shift, an unpaid meal break of no less than 30 minutes under clause 16.2; and
- (b) for the 3 hours of overtime, an additional 20 minute paid rest break under clause 16.7(b).

Stakeholder feedback consistently identifies that employers and employees, particularly small businesses, can find it challenging to navigate the terms and conditions in modern awards applicable to their workplaces. Changes in work arrangements can mean that minimum rates of pay or conditions of employment in their workplace may also change. Currently, the full legal text of modern awards, available on the Fair Work Commission website, along with

advice and resources provided on agency websites like the Fair Work Ombudsman, are key sources of freely available information about modern award obligations and entitlements.

Employers may also seek paid expert advice, for example from industry associations and workplace relations practitioners.

Simplifying the language and structure of modern awards was a focus of the Fair Work Commission's 4 yearly review of modern awards and outcomes from this review included plain-language redrafting of complex clauses and the addition of calculated rates in modern awards.3 Following the addition of calculated rates to modern awards, the Fair Work Commission developed the Modern Awards Pay Database (MAPD), which provides access to publicly accessible up-to-date data on the calculated minimum rates of pay, allowances, overtime, and penalty rates in modern awards. The Fair Work Commission has also released an application programming interface (API) for the MAPD. The API is a digital tool for software developers that provides access to the MAPD's current and historical minimum rates of pay, allowances, overtime, and penalty rates data in a digital format.

Solutions that can support SMEs to curate information from modern awards to their unique situation will benefit employers and employees by aiding compliance, reducing the resources required to engage with modern awards, and improving the information transparency between employers and employees.

Solution requirements

DEWR is open to a range of solutions to help address this challenge. Solutions may be brand new or build on existing technology and practices, or they may be a combination of both. The main goal is to deliver a system that can be utilised by a range of SMEs with varied capabilities and resources.

The solution should utilise information contained in MAPD. Any solution should consider utilising the MAPD API to ensure that updates to pay rates are automatically carried through to end users. Challenge participants must have regard to the Fair Work Commission's MAPD Disclaimer available on the Fair Work Commission website and the MAPD API terms of use and important information statement, when using these data sources.

Benefits of the solution

Any solution that reduces the time and effort for SMEs to find and utilise the appropriate information from modern awards will reduce the time, cost, and stress of compliance for SMEs. Supporting SMEs to navigate modern awards will also ensure employees are receiving the correct pay and conditions that they are legally entitled to receive.

The demand for solutions in this space is expected to be significant with many SMEs utilising modern awards to set the pay and conditions of their employees. Further, if this solution can be expanded to support SMEs in navigating other elements of the Australian workplace relations framework, it would have significant appeal to many employers.

How to apply

For information on how to apply, visit https://business.gov.au/brii-wruc
Or call 13 28 46.

³ Statement - 4 yearly review of modern awards – finalisation of the 4 yearly review [2022] FWCFB 189