

The 5 step Award Coverage Process

Award Coverage can be simple or complex depending on the business and position. It is important to review each position individually and follow the 5-step process explained below to pick the right Award. These five steps make sure you find the appropriate Award for any position role. And reduce risks of underpayment and misinterpretations of entitlements.

Step 1

Identify the industry your business operates in. Depending on the industry, multiple Awards might apply.
Read the coverage clause (usually clause 4) to recognise the type of businesses it covers.
As part of the process, rule out the Awards that do not provide sufficient coverage and make a judgement call on which industry definition your business falls under.
It is important to note, you are not forever bound to the same Award. Businesses change and adapt, and you can move from one to another Award.

Step 2

Next step of the process is to classify employees under that Award. Follow the same approach; review the classification structure and eliminate the classifications that do not apply.
Start with the objective requirements such as qualifications, responsibilities etc. and then move to the subjective requirements, like level of control, autonomy etc.
Review award classifications yearly as some Awards have yearly progression as well as role transformations and it can have an impact on the base rate to flat rate calculations.

Step 3

If there is not Industry Coverage, Occupational Award may apply. These Awards also have coverage clause and classification structures.
Most common are the Clerks Private Sector Award and Professional Employees Award. Follow the same approach once more and eliminate the ones that do not apply. Once you find the potential Awards it is a matter of reviewing the classification structure as per the objective and subjective requirements.

Step 4

Sometimes employees cannot be classified under an Industry or Occupational Award. They may be covered by the Miscellaneous Award.
Miscellaneous Awards usually apply to managerial roles or professional employees. It comes down to factors such as tertiary qualifications or membership to professional bodies e.g., Lawyers, Accountants, Town Planners etc.

Step 5

When coverage under an Industry Award, Occupational Award and the Miscellaneous Award have all been ruled out the position can be classified as Award Free.
It is quite common among high level positions within businesses and high-income positions. In such cases, employees are entitled to the National Employee Standards, but all terms and entitlements come from the contract e.g., annual leave, sick leave, redundancy etc.



Please contact our HR Services Employer Assistance Helpline for support on
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