

Vehicle Award changes during coronavirus

Published 12 May 2020 | Updated 1 October 2020

Extension of Vehicle Award changes

The Fair Work Commission has extended parts of Schedule I in the Vehicle Award. The extended provisions of the Schedule now apply until 30 November 2020.

We've updated the information on this page to reflect this change.

On 11 May 2020, the Fair Work Commission (the Commission) made a [determination \(https://www.fwc.gov.au/documents/decision-ssigned/html/2020fwcfb2367.htm\)](https://www.fwc.gov.au/documents/decision-ssigned/html/2020fwcfb2367.htm) varying the Vehicle Award.

The determination inserted a temporary new Schedule I, which applies from an employee's first full pay period on or after 11 May 2020. Schedule I adds award flexibility during the impact of coronavirus. Schedule I applies until 30 November 2020.

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The Commission can continue to extend Schedule I if an application is made by an interested party. We'll update our information if that happens.

Use [Find my award \(https://www.fairwork.gov.au/awards-and-agreements/awards/find-my-award/\)](https://www.fairwork.gov.au/awards-and-agreements/awards/find-my-award/) if you're not sure which award applies to you.

Who does it apply to?

The following changes under Schedule I apply to employees engaged in vehicle industry repair, services and retail work.

They don't apply to employees engaged in vehicle manufacturing under the previous sections 2-4 of the Vehicle Award (such as vehicle manufacturing employees, drafting, planning and technical employees and supervisory employees). This is because from 29 May 2020 the Manufacturing Award started covering these employees. Go to [Changes in awards in 2020 \(https://www.fair-work.gov.au/awards-and-agreements/awards/changes-to-awards-in-2020\)](https://www.fair-work.gov.au/awards-and-agreements/awards/changes-to-awards-in-2020) to learn more about coverage changes to the Vehicle Award.

Schedule I also doesn't apply to eligible employees whose employer qualifies for the JobKeeper scheme. For information about the

JobKeeper scheme, see [JobKeeper scheme - overview \(www.fairwork.gov.au/coronavirus-and-australian-workplace-laws/pay-and-leave-during-coronavirus/jobkeeper-wage-subsidy-scheme/default\)](http://www.fairwork.gov.au/coronavirus-and-australian-workplace-laws/pay-and-leave-during-coronavirus/jobkeeper-wage-subsidy-scheme/default) .

Extended parts of Schedule I that continue to apply until 30 November 2020

Any direction or request given by an employer under Schedule I has to:

- be given in writing
- say that the employer agrees to the Fair Work Commission dealing with any disputes about the direction
- be reasonable in all of the circumstances.

Any direction they give under Schedule I stops applying on the earlier of:

- the employer withdrawing, revoking or replacing it, or
- on 30 November 2020.

Full-time and part-time employees' hours of work

Under Schedule I, some employers can temporarily reduce a full-time and part-time employee's hours of work if the employee can't be usefully employed for their normal days or hours because of business changes attributable to:

- coronavirus, or
- Government initiatives to slow the spread of coronavirus.

Employers can only use these provisions if they'd already used them before 30 June 2020. Other employers need to follow the normal rules about hours of work in the Vehicle Award. See [Hours of work, breaks & rosters \(https://www.fairwork.gov.au/employee-entitlements/hours-of-work-breaks-and-rosters\)](https://www.fairwork.gov.au/employee-entitlements/hours-of-work-breaks-and-rosters) for more information.

Full-time employees

Employers can reduce a full-time employee's hours of work down to an average of between 22.8 and 38 ordinary hours per week. If this happens, the employee needs to be paid for the hours they work and the rules for ordinary hours apply on a pro rata basis.

Some employees can't have their hours reduced below a minimum amount of fortnightly pay. This includes:

- Full-time employees at Levels 1-5 – these employees need to work enough hours to be paid at least \$1115.70 a fortnight (not including allowances).
- Full-time Vehicle Industry Tradespersons at Level 1 or 2 – these employees need to work enough hours to be paid at least \$1500.00 a fortnight (not including allowances).

Part-time employees

Employers can reduce a part-time employee's hours of work down to an average of between 75% and 100% of their usual agreed hours per week (or per week over their roster cycle, if a roster cycle applies).

This means, for example, if an employee usually works 10 hours per week, their employer can reduce their hours to 7.5 per week or an average of 7.5 per week over the roster cycle.

Part-time employees who previously earned more than \$836.78 a fortnight for their agreed hours need to work enough hours to keep getting this amount. They can't have their hours reduced so that they get less than \$836.78 a fortnight (not including allowances).

Process to reduce an employee's hours

If an employer wants to reduce an employee's hours, they need to discuss the changes with them, making sure they:

- follow the Vehicle Award's consultation rules about changes to rosters or hours of work
- provide as much notice as possible.

If an employee is a union member, the employer also needs to let the employee's union know that it intends to make the changes.

Schedule I doesn't prevent employers and employees from agreeing in writing to reduce the employee's hours.

Leave entitlements while on reduced hours

If an employee receives less pay than normal under a direction, they can agree with their employer to increase their pay to their normal weekly pay by taking paid leave for the difference in hours. For example, an employee who usually works 10 hours a week and has had their hours reduced to 7.5 can agree with their employer to use 2.5 hours of annual leave each week so that they are still paid for 10 hours in total per week.

An employee who is directed to work less hours still accrues annual leave, personal leave and any other leave based on their ordinary hours.

If an employee with reduced hours takes annual leave or personal leave, they're paid for their ordinary hours for the time they take leave (their hours before the reduction). If an employee with reduced hours is made redundant, their redundancy pay is calculated on their ordinary hours (their hours before the reduction).

Secondary employment, training or professional development while on reduced hours

If an employee is directed to work temporarily reduced hours, they can request to take up:

- reasonable secondary employment
- training, or
- professional development.

Employers need to consider and can't unreasonably refuse a request.

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Annual leave

Under Schedule I, an employer can request an employee to take annual leave if:

- the reasons for the request relate to the coronavirus pandemic or Government initiatives to slow the transmission of coronavirus
- it helps the employer to prevent or minimise the loss of employment
- the employee will still have at least 2 weeks' accrued annual leave left after taking the leave.

Employers need to consider the employee's personal circumstances when making a request. They also need to give at least 72 hours' notice.

Employees need to consider their employer's request to take leave and can't unreasonably refuse it.

The period of annual leave needs to start before 30 November 2020 but can end after this date.

Employers and employees can still agree for an employee to take leave at any other time.

To direct an employee to take annual leave (including unpaid leave in some circumstances), employers can use our [Template letter for directing employees to take annual leave during the coronavirus outbreak \(DOCX 70.5KB\)](#) (www.fairwork.gov.au/ArticleDocuments/218/directing-employees-to-take-annual-leave-during-the-coronavirus-outbreak.docx.aspx) (PDF 458.6KB) (www.fairwork.gov.au/ArticleDocuments/218/directing-employees-to-take-annual-leave-during-the-coronavirus-outbreak.pdf.aspx) .

Annual leave at half pay

Employees can take up to twice as much annual leave at a proportionally reduced rate if their employer agrees. For example, if an employee agrees with their employer to take annual leave at half pay, the employee gets paid 1 week of annual leave (including annual leave loading if it applies) but takes 2 weeks off work.

An employee on leave at half pay accumulates annual leave and sick and carer's leave as if they were on leave at full pay.

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Employees covered by an agreement

The changes to the Vehicle Award don't apply to employees covered by an enterprise agreement.

Find out if your workplace is covered by an agreement on the [Fair Work Commission website – Find an agreement](#) (<https://www.fwc.gov.au/awards-and-agreements/agreements>) [↗](#).

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Schedule I provisions that stopped applying after 30 June 2020

The information below outlines the Schedule I provisions that applied between 11 May 2020 and 30 June 2020. This information is historical and no longer applies. See [Extended parts of Schedule I that apply until 30 November 2020](#) above for information about which parts of Schedule I apply now.

Change in duties

Between 11 May and 30 June 2020 under Schedule I, employers could direct vehicle industry repair, services and retail employees to perform different duties.

Employers could tell these employees to do any tasks that they had the skill and competency for, even if those tasks weren't in their usual classification or normal work. The tasks needed to be safe and within the employer's operations. The employee also needed to have all the appropriate licences and qualifications to perform the tasks.

When an employee worked at a higher classification, the employer needed to pay them at the higher rate for the hours worked.

Employees who did tasks below their usual classification were still entitled to be paid at their usual pay rate.

Any direction or request given by an employer under Schedule I needed to:

- be in writing
- be reasonable in the circumstances
- say that the employer agreed to the Commission dealing with any disputes about the direction.

An employee who was directed to do different duties returned to their usual duties on 30 June 2020, or if:

- they agreed with their employer to return to usual duties, or
- the employer revoked the direction.

Annual leave and close downs

Annual leave

Between 11 May and 30 June 2020 under Schedule I, employers could make an employee take annual leave as part of a close down (also known as a shut down) in certain circumstances. An employer could do this if:

- they gave at least 1 week's written notice to employees (or shorter if agreed)
- the close down was because of the coronavirus outbreak or Government initiatives to slow its transmission.

Employers could make an employee use all their accrued annual leave in this circumstance (meaning they don't have to keep a balance of at least 2 weeks). The leave had to be taken between 11 May 2020 and 30 June 2020.

Unpaid leave

If an employee didn't have enough annual leave to cover the period of the close down, the employer could require them to take unpaid leave for the rest of the close down. The unpaid leave could only be taken between 11 May 2020 and 30 June 2020.

Any unpaid leave taken by an employee during a close down counted as service for the purposes of the Vehicle Award and the National Employment Standards.

Secondary employment, training or professional development while on unpaid leave

If an employee was directed to take unpaid leave as a result of a close down, they could request to take up:

- reasonable secondary employment
- training, or
- professional development.

Employers needed to consider and couldn't unreasonably refuse a request.

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More information

Any dispute about the operation of Schedule I can be referred to the Commission. Go to [Interpret or enforce an award – Disputes about how an award applies](#) (<https://www.fwc.gov.au/awards-and-agreements/awards/interpret-or-enforce-award>) on the Fair Work Commission website for more information.

- For further information on the changes, read the Fair Work Commission's:
 - [original May decision](https://www.fwc.gov.au/documents/decisionssigned/html/2020fwcfb2367.htm) (<https://www.fwc.gov.au/documents/decisionssigned/html/2020fwcfb2367.htm>)
 - [June determination](https://www.fwc.gov.au/documents/documents/awardmod/variations/2020/pr720601.pdf) (<https://www.fwc.gov.au/documents/documents/awardmod/variations/2020/pr720601.pdf>)
 - [July determination](https://www.fwc.gov.au/documents/documents/awardmod/variations/2020/pr721458.pdf) (<https://www.fwc.gov.au/documents/documents/awardmod/variations/2020/pr721458.pdf>)
 - [August determination](https://www.fwc.gov.au/documents/documents/awardmod/variations/2020/2020fwcb4598.pdf) (<https://www.fwc.gov.au/documents/documents/awardmod/variations/2020/2020fwcb4598.pdf>)
 - [September determination](https://www.fwc.gov.au/documents/decisionssigned/html/2020fwcfb5194.htm) (<https://www.fwc.gov.au/documents/decisionssigned/html/2020fwcfb5194.htm>)
- Want to check other entitlements and obligations under the award? Go to the [Vehicle Award](http://awardviewer.fwo.gov.au/award/show/MA000089) (<http://awardviewer.fwo.gov.au/award/show/MA000089>) .
- Not sure what award you're covered by? Use [Find my award](https://www.fairwork.gov.au/awards-and-agreements/awards/find-my-award/) (<https://www.fairwork.gov.au/awards-and-agreements/awards/find-my-award/>) .
- Need to calculate pay rates, overtime and penalty rates? Use our [Pay Calculator](https://calculate.fairwork.gov.au/findyouraward) (<https://calculate.fairwork.gov.au/findyouraward>) .
- Want to stay updated on other award changes? [Sign up for email updates](https://www.fairwork.gov.au/Website-information/stay-ing-up-to-date/subscribe-to-email-updates) (<https://www.fairwork.gov.au/Website-information/stay-ing-up-to-date/subscribe-to-email-updates>) .

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