

LICENCE CONDITIONS

M.A SERVICES GROUP PTY LTD (ABN 73 151 498 001)

1. Definitions

- 1.1. 'Award' means the *Security Services Industry Award 2020*.
- 1.2. 'Financial Quarter' means 1 July to 30 September, 1 October to 31 December, 1 January to 31 March, or 1 April to 30 June (inclusive).
- 1.3. 'provision of labour hire services' has the same meaning as the phrase 'provides labour hire services' has in the *Labour Hire Licensing Act 2018* (Vic).
- 1.4. 'EA' means the *M.A. Security Guards Enterprise Agreement 2016* (AE423438) approved by Commissioner Gregory of the FWC on 23 February 2017 (incorporating the correction made by the FWC on 10 February 2021).
- 1.5. 'IFA' means an individual flexibility arrangement.
- 1.6. 'Subcontractor' means a person who is involved in the licence holder's provision of labour hire services.
- 1.7. 'involved in the licence holder's provision of labour hire services' means:
 - 1.7.1. in the course of conducting a business, a Subcontractor supplies one or more individuals to another person (including the licence holder) to perform work in and/or as part of the licence holder's provision of labour hire services; and
 - 1.7.2. the individuals are workers for the Subcontractor, within the meaning of section 9(1) of the *Labour Hire Licensing Act 2018* (Vic).
 - 1.7.3. The Subcontractor may be involved in the licence holder's provision of labour hire services regardless of the following:
 - A. whether a contract has been entered into between the Subcontractor and the licence holder;
 - B. whether the individuals supplied by the Subcontractor are supplied—
 - i. directly; or
 - ii. Indirectly through one or more intermediaries; and/or
 - C. whether the work performed is under the control of the licence holder, Subcontractor or third party.
- 1.8. 'LHA' means the Labour Hire Authority.
- 1.9. 'MA-IFA' means an IFA that is the same, or of the same effect, as the IFA in Annexure 2 to these conditions.
- 1.10. 'Worker' means an employee or independent contractor performing work in Victoria within the Security Services Industry.
- 1.11. 'Security Services Industry' has the meaning ascribed to it in the Award.

1.12. The plural of a word has the same meaning as the singular, and vice versa.

2. Subcontracting work out to other labour hire providers

2.1. Before entering into a contract with a Subcontractor for the Subcontractor to be involved in the licence holder's provision of labour hire services (**the Subcontract**), the licence holder must undertake a reasonable assessment of whether the monetary amounts the licence holder proposes to pay the Subcontractor in the Subcontract (**the Monetary Consideration**) are sufficient to cover the costs the Subcontractor will incur when involved in the licence holder's provision of labour hire services. In performing this assessment, the licence holder must:

2.1.1. take into account the following matters (**the Matters**):

- A. The terms and conditions (including wages, penalties and provision for paid leave if applicable) under the industrial instruments that apply to the Workers of the Subcontractor;
- B. The expected hours of work, and on what days and times such will be performed;
- C. The expected cost of Superannuation contributions made on behalf of the Subcontractor's Workers;
- D. The expected cost of Workcover premiums in respect of the Subcontractor's Workers;
- E. The expected cost of compulsory contributions to the Portable Long Service Authority (**PLSA**) on behalf of the Subcontractor's Workers;
- F. The minimum cost required to comply with the legal obligations of employing a Level 1 casual employee and Level 1 permanent employee pursuant to the Award as detailed in Annexure 1 to these conditions;
- G. Any other expected regular and frequent costs to be incurred by the Subcontractor when involved in the licence holder's provision of labour hire services; and
- H. The amount that the Subcontract requires the licence holder to pay the Subcontractor for the provision of labour hire services under the Subcontract.

(For the avoidance of doubt, the obligation in clause 2.1.1 of these conditions applies in relation to a Subcontractor who will be a party to a Subcontract, and not any further Subcontractors the Subcontractor may subcontract to.)

2.1.2. Provide a written report to LHA within 14 days of entering into the new Subcontract containing:

- A. The name, ABN, private security business licence and/or registration number held under the *Private Security Act 2004* (Vic) and licence number held pursuant

- to *Labour Hire Licensing Act 2018* (Vic), of the Subcontractors expected to be involved in the provision of labour hire services referred to in the Subcontract;
- B. The licence holder's assessment of each of the Matters;
 - C. The licence holder's conclusion reached in respect of whether the Monetary Consideration is sufficient to cover the Subcontractor's costs incurred when involved in the provision of labour hire services to the licence holder, and the reasons for the conclusion; and
 - D. A copy of the Subcontract.

(For the avoidance of doubt, the obligation in clause 2.1.2(A) of these conditions applies in relation to all Subcontractors expected to be involved in the licence holder's provision of labour hire services, and the obligation in clause 2.1.2(C) of these conditions applies in relation to a Subcontractor who will be a party to a Subcontract, and not any further Subcontractors the Subcontractor may subcontract to.)

3. Changes to the Subcontract

- 3.1. If the monetary amounts the licence holder has agreed to pay a Subcontractor in a Subcontract are changed/amended (**the Price Change**), the licence holder must provide a written notification to LHA within 14 days of the Price Change containing:
- A. The details of the Price Change; and
 - B. A copy of the amended Subcontract, if any.

(For the avoidance of doubt, the obligations in clause 3.1 of these conditions apply in relation to a Subcontractor who is a party to a Subcontract, and not any further Subcontractors the Subcontractor may have subcontracted to.)

4. Quarterly reporting regarding Subcontractors

- 4.1. The licence holder must provide to LHA within 14 days after the end of each Financial Quarter, a written report containing:
- A. The following details for each Subcontractor involved in the licence holder's provision of labour hire services during the last full Financial Quarter:
 - i. Name;
 - ii. ABN;
 - iii. Private security business licence and/or registration number held under the *Private Security Act 2004* (Vic); and
 - iv. Licence number held pursuant to *Labour Hire Licensing Act 2018* (Vic).
 - B. The following details for each Worker supplied by a Subcontractor involved in the licence holder's provision of labour hire services during the last full Financial Quarter:

- i. Name;
- ii. Private security individual operator licence number held under the *Private Security Act 2004* (Vic);
- iii. the venue(s) or location(s) each Worker was supplied to as part of the licence holder's provision of labour hire services during that the last full Financial Quarter; and
- iv. the Subcontractor who supplied them.

(For the avoidance of doubt, the obligations in clause 4.1 of these conditions apply in relation to all Subcontractors involved in the licence holder's provision of labour hire services.)

5. Individual flexibility arrangements

- 5.1. Within 14 days of the grant of this licence, the licence holder must give to each Worker who is party to a MA-IFA not more than 28 days written notice of termination of the MA-IFA (**the notice of IFA termination**).
- 5.2. Within 21 days of the grant of this licence, the licence holder must provide LHA with a copy of each notice of IFA termination.
- 5.3. Within 21 days of the grant of this licence, the licence holder must provide LHA with written confirmation that all Workers who are party to MA-IFAs have received a notice of IFA termination.
- 5.4. The licence holder must not enter into a new MA-IFA with a Worker.
- 5.5. The licence holder must provide to LHA a copy of any new IFA entered into by the licence holder and a Worker within 14 days of the new IFA coming into operation.

6. Independent time and wages review

- 6.1. The licence holder must, at its cost, engage an appropriately qualified, experienced, external and independent accounting professional or an employment law specialist (**Independent Reviewer**) to review the wages and entitlements paid by the licence holder to current and former Workers employed by the licence holder, in accordance with the scope and requirements prescribed in these licence conditions.
- 6.2. The Independent Reviewer must assess:
 - 6.2.1. Whether any current Workers of the licence holder who are or have been paid according to an annualised salary arrangement, have been underpaid, by reference to the industrial instrument that covers them, which may be the EA, the Award or some other industrial instrument, between 1 January 2022 and 31 December 2022 (**Annualised salary arrangement review**).

- 6.2.2. Whether any current or former Workers, employed by the licence holder, covered by the EA and paid at any time according to the Roster Cycle 6 rates in the EA, have been underpaid their wages, during the term of the EA (**Roster Cycle 6 review**).
(Collectively, **Reviews**).
- 6.3. The licence holder must notify LHA of its proposed Independent Reviewer by no later than two (2) months after the date of imposition of these licence conditions. LHA may in its sole discretion approve the Independent Reviewer in writing or otherwise require the licence holder to propose another Independent Reviewer until the LHA has approved in writing an Independent Reviewer. The Independent Reviewer must be approved in writing by LHA prior to being engaged by the licence holder.
- 6.4. The licence holder must ensure that the Reviews include:
- 6.4.1. any shortfall between the amounts paid by the licence holder to the Workers during the periods that fall within the Reviews, and the Workers' entitlements as assessed by the Independent Reviewer (**Review Underpayments**);
- 6.4.2. the production of a written report on the Reviews setting out the Independent Reviewer's findings, the facts and circumstances surrounding findings, and any recommendations the Independent Reviewer makes to ensure the licence holder's ongoing compliance with workplace laws, to LHA (**Review Report**); and
- 6.4.3. that the Review Report above contains the following declarations from the Independent Reviewer:
- A. the Independent Reviewer has no actual, potential or perceived conflict of interest in providing the Review Report to LHA;
- B. notwithstanding that the Independent Reviewer is retained by the licence holder, the Independent Reviewer undertakes that it has acted independently, impartially, objectively and without influence from the licence holder in preparing the Review Report;
- C. the Review Report is provided in accordance with any applicable professional standards (which will be listed in the Review Report); and
- D. the Review Report is provided to LHA for its benefit and LHA can rely on the Review Report.
- 6.5. Within three (3) months after the imposition of these licence conditions, the licence holder will provide for LHA's approval, details of the methodology to be used by the Independent Reviewer to conduct the Reviews. The methodology must include, in relation to the Annualised salary arrangement review, the industrial instrument(s) the Independent Reviewer intends to apply, and how the Independent Reviewer intends to approach the task of assessing each of the Worker's respective classifications under the applicable industrial instrument. LHA will provide any

- comments on the proposed methodology to the licence holder by no later than two (2) weeks after the licence holder provides the proposed methodology.
- 6.6. The licence holder must ensure that the Reviews commence by no later than one (1) month after LHA approves the methodology.
- 6.7. The licence holder will use its best endeavours to ensure the Independent Reviewer finalises the Reviews and provides the Review Report directly to LHA by no later than two (2) months after the Reviews commence.
- 6.8. The licence holder will:
- 6.8.1. subject to paragraph 6.9 below, within four (4) months of the Review Report being provided to the licence holder by the Independent Reviewer, rectify any Review Underpayments to the Workers by paying each of the Workers the relevant amount as identified in the Review Report, plus interest of 5%, less any deductions required by law; and
 - 6.8.2. provide evidence to LHA of payments made to the Workers under paragraph 6.8.1.
- 6.9. If any of the Workers to whom Review Underpayments are owed cannot be located by the time specified in paragraph 6.8.1 above, the licence holder will:
- 6.9.1. pay the amounts owing to those Workers, including interest, into the dedicated bank account;
 - 6.9.2. provide to LHA details of the account; and
 - 6.9.3. provide to LHA details of the monies that have been deposited into the account and which of the Workers the deposits relate to.
- 6.10. Any money deposited in accordance with paragraph 6.9.1 must remain in the bank account until two (2) years from the date the Review Report is finalised, except as specified in paragraph 6.11 below. During that period the licence holder undertakes to make reasonable ongoing attempts to locate the Workers. These attempts will include, but not be limited to, sending correspondence to the Workers and contacting the Workers by telephone, using last-known contact details for the Workers.
- 6.11. Any money deposited into the bank account in respect of the Workers in accordance with paragraph 6.9.1 above must be paid to the Workers if and when that Worker is located or details enabling the employee to be paid are obtained by the licence holder.
- 6.12. Every three (3) months from the date the Review Report is finalised, the licence holder will report to LHA on any and all attempts made to locate the Workers and/or provide evidence of payments made to the Workers in accordance with paragraphs 6.10 and 6.11 above.

ANNEXURE 1

LHA considers that providers operating in the security industry who are covered by the Award will incur the following **minimum** costs per guard, per hour:

Level 1 permanent (full-time or part-time) employee:

	Monday to Friday, 6:00am to 6:00pm	Monday to Friday, 6:00pm to 6:00am	Saturday	Sunday	Public holiday
Hourly rate:	\$23.89	\$29.07	\$35.84	\$47.78	\$59.73
Annual leave (8.6957%):	\$2.08	\$2.53	\$3.12	\$4.15	\$2.08
Personal/carer's leave (4.3478%):	\$1.04	\$1.26	\$1.56	\$2.08	\$1.04
Superannuation (10.5%):	\$284	\$3.45	\$4.25	\$5.67	\$6.60
Portable LSL levy (1.8%):	\$0.49	\$0.59	\$0.73	\$0.97	\$1.13
WorkCover insurance (2.65%):	\$0.79	\$0.96	\$1.19	\$1.58	\$1.84
Total:	\$31.13	\$37.86	\$46.69	\$62.23	\$72.42

Level 1 casual employee:

	Monday to Friday, 6:00am to 6:00pm	Monday to Friday, 6:00pm to 6:00am	Saturday	Sunday	Public holiday
Hourly rate (plus 25% loading):	\$29.86	\$35.05	\$41.81	\$53.75	\$65.70
Superannuation (10.5%):	\$3.14	\$3.68	\$4.39	\$5.64	\$6.90
Portable LSL levy (1.8%):	\$0.54	\$0.63	\$0.75	\$0.97	\$1.18
WorkCover insurance (2.65%):	\$0.87	\$1.03	\$1.22	\$1.57	\$1.92
Total:	\$34.41	\$40.39	\$48.17	\$61.93	\$75.70

Notes and assumptions:

Hourly rates:	The hourly rates of pay used in the above tables are the current rates of pay under the Award from 1 July 2022, available https://awardviewer.fwo.gov.au/award/show/MA000016 . The rates of pay will likely be increased by the FWC from about 1 July 2023.
Monday to Friday night rate:	LHA has used the non-permanent Monday to Friday night rate, rather than the slightly higher night rate for permanent night workers.
Annual leave:	Under clause 21 of the Award and the NES, employees (other than certain shiftworkers) are entitled to 4 weeks of annual leave per year. 4 weeks of

	annual leave accrued over 46 weeks of service amounts to an accrual rate of 8.6957% per hour.
Personal leave:	Under clause 22 of the Award and the NES, employees are entitled to 2 weeks of personal leave per year. 2 weeks of personal leave accrued over 46 weeks of service amounts to an accrual rate of 4.3478% per hour.
Superannuation:	The superannuation guarantee (SG) is 10.5%. The SG must be paid on and employee's 'ordinary time earnings', and, according to clause 18.5(a) of the Award, while an employee is on paid leave.
Portable LSL levy:	All providers in the security industry are required to pay a levy to the PLSA in respect of long service levy. All employees i.e. permanent and casual employees are entitled to long service leave. The current levy is 1.80% for the security industry, and is calculated on each worker's 'ordinary pay'. See https://www.vic.gov.au/ordinary-pay for what 'ordinary pay' does and does not include. It includes (inter alia) weekend and shift work penalty rates, public holiday penalty rates, personal leave and annual leave. It does not include (inter alia) annual leave loading and superannuation contributions.
WorkCover insurance:	Insurance rates calculations are based on a range of factors and are employer-specific. LHA has used the 2022/23 rate for the 'Investigation and Security Services' industry rate; namely, 2.65%. See https://www.worksafe.vic.gov.au/resources/workcover-insurance-industry-rates-and-industry-claims-cost-rates-2022-23 for the 2022/23 industry rates and industry claims cost rates. An employer's WorkCover insurance premium is calculated on 'remuneration'. See https://www.worksafe.vic.gov.au/remuneration-inclusions-and-exclusions for what 'remuneration' does and does not include. It includes (inter alia) wages, superannuation and leave payments. It does not include (inter alia) payments to portable long service leave schemes.
Leave accrual on public holidays:	A provider will not accrue annual leave and personal leave liabilities in proportion to the rate payable to an employee for working on public holiday. Instead, the liability will be accrued in proportion to the rate the employee would have ordinarily been paid for that day. For the purposes of this table, the Monday to Friday day rate has been used.
Additional costs and expenses:	Providers in the security industry variably may or will incur additional expenses through the supply of their workers including but not limited to: <ul style="list-style-type: none"> - Payroll tax, which is payable by employers whose wages (between 1 July 2022 and 30 June 2023) exceed \$58,333 per month or \$700,000 per financial year. For metropolitan employers, payroll tax is 4.85% of the wages bill, and for regional employers, the rate is 1.2125%. See https://www.sro.vic.gov.au/payroll-tax for the definition of wages; it includes superannuation and accrued leave (including leave loading). It does not include contributions to portable LSL schemes so long as those contributions are not taxable for fringe benefit purposes. - Additional employee entitlements such as: paid time for inductions and training, allowances, overtime penalties, paid time for public holidays not worked, 17.5% annual leave loading and an additional week of annual leave for certain shiftworkers. Other forms of paid leave may apply. - Incidental costs such as equipment (e.g. phones, tablets, computers, motor vehicles), uniforms, public liability insurance, compliance costs including private security and labour hire licence/registration fees, ASIC

	<p>fees, office rent and utilities, office staff wages and other related expenses, legal, bookkeeping and accounting fees.</p> <ul style="list-style-type: none">- GST of 10%.- Profit margin.
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ANNEXURE 2

UNDERSTAND.
MANAGE. DELIVER.

MA SERVICES GROUP

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 admin@maservicesgroup.com.au
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Individual Flexibility Agreement

This Individual Flexibility Agreement (the Agreement) will commence on

The parties to the Agreement are as follows:

The Employee: of
(the Employee) And

The Employer: **MA Services Group Pty Ltd** ABN 73 151 498 001 of Suite 3&4,15-21 Butler Way, Tullamarine VIC 3066 Australia (the Employer)

In Accordance with Clause 8 of the M.A Security Guards Enterprise Agreement 2016 (EBA) & Clause 7 of the Security Services Industry Award 2010 (Award) this Agreement documents variations to the EBA and/or Award freely agreed to between the Employee and the Employer.

In lieu of these agreed variations, the Employee agrees to be offered and to work overtime at the normal rate of pay relative to the roster cycle and classification level as per the employment agreement. Such overtime opportunity has not and would not be available under the terms of the EBA and/or Award thereby ensuring the employee is better off overall under this Agreement.

The EBA provisions to be varied are as follows:

Undertakings - Section 190 - Clause 9

Overtime to apply after 304 hours for Full Time Employees or nominated contracted hours for Part Time Employees

And

Clause 25. Additional Hours (Overtime)

- 1) Employees may be required to work reasonable overtime from time to time as provided for in the NES.
- 2) Overtime will be incurred where:
 - a. the maximum of 12 daily hours are exceeded; and
 - b. more than 1976 hours are worked in a designated 52-week period.
- 3) Employees will be entitled to:
 - a. take time off in lieu of overtime on an hour for hour basis in accordance with clause 24.4; or
 - b. elect to be paid double time for overtime at the ordinary hourly Rates of Pay set out in Schedule 1 of this Agreement.
- 4) Flexible part-time and casual employees will not receive time off in lieu of overtime and will be paid double time the ordinary hourly rates of pay set out in Schedule 1 for overtime, not double time on the casual hourly rates of pay.
- 5) Time Off in Lieu of Overtime
 - a. The Company and an Employee or majority of Employees may agree to an arrangement of Time off in Lieu of Overtime (TOIL) subject to this clause.
 - b. Where an Employee works and Additional Hour of Work (Overtime) as defined by clause 25.2 of this Agreement with the Employee's agreement the Company may substitute payment for that hour as an hour of TOIL

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**UNDERSTAND.
MANAGE. DELIVER.**

MA SERVICES GROUP[®]

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- c. An Employee may take accrued TOIL at a later time agreed between the Employee and the Company without any loss of pay.
- d. If an Employee accrues more than 20 hours of TOIL the Company may direct the Employee to utilise the TOIL by giving reasonable notice to the Employee.

The Award provisions to be varied are as follows:

Clause 28 – Overtime

- 1) The Employee from time to time may be required to work in excess of their maximum hours, outside the spread of hours or outside of their rostered hours. Under the Award, this would be paid at rates above the normal rate for that period.
- 2) The Employer would not normally offer such overtime to the Employee due to the additional cost that is not recoverable from the Client and would opt instead to engage a Casual Employee to fill the shift at a normal rate plus Casual loading.
- 3) The Employee has agreed to volunteer for such overtime opportunities and to be paid at their same rate and roster cycles as if a Casual were to be engaged.

This Agreement shall continue to apply unless terminated by either party giving 28 days written notice or at any time by written agreement between the parties.

Signed & Dated:

On behalf of MA Services Group:

Name:

Dated:

I confirm that I have read and understood the contents of this Agreement

Signed by:

Name:

Date:

MA SERVICES GROUP P/L ABN 73 151 498 001

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