

THE PROPOSED NEW KMART AGREEMENT 2024

The SDA has secured a proposed new Kmart Agreement that delivers:

- ✓ Better wages
- ✓ Fairer rostering and more hours
- ✓ Improved leave entitlements
- ✓ Your hard-won SDA conditions

This document contains a summary of the proposal and how it compares to the *Kmart Australia Ltd Agreement 2018*.

Depending on when the Fair Work Commission (FWC) approves the new Agreement, it will commence either on:

- a. 10 March 2025 if the FWC approves the new Agreement before Monday 3 February 2025; **OR**
- b. If it is approved after 3 February 2025, the first Monday in the 4 week roster cycle starting 4 weeks after the new Agreement is approved.

The nominal expiry is 4 years after the new Agreement is approved by the FWC.

WAGES

Sign on Bonus – Cash Payment

Kmart will offer a bonus to eligible team members upon a positive vote for the proposed Agreement as follows:

- » **Full-time:** \$500
- » **Part-time:** Minimum \$150 and a maximum of \$500 (based on contracted hours as of 25 August 2024)
- » **Casual:** Minimum \$125 and a maximum of \$500 (based on average weekly hours in the 4 week roster cycle ending on 25 August 2024)

The payment will be paid to eligible team members within 21 days after the FWC approves the proposed Agreement.

Eligibility:

- » Team members must be employed at the date the vote closes and the date the payment is made.
- » Casual team members must have worked a minimum of 4 shifts in the four-week roster cycle ending on 25 August 2024.

✓ VOTING

No new Agreement can be put in place without a vote of Kmart team members and a majority yes vote. Kmart team members will have the final say on the new Agreement. If there is a majority yes vote, it will be put to the Fair Work Commission for approval.

Pay Rises

Under the new Agreement, base rates of pay will increase each July in two ways.

Firstly, base rates of pay will increase by the amount that the relevant rate in the General Retail Industry Award (GRIA) increases, as a result of what the SDA wins in the Annual Wage Review. In July 2024, we won a 3.75% increase.

The rates will also increase each year, by increasing the margin that the Agreement pays above the General Retail Industry Award. Currently there is a 7 cent margin above the GRIA.

Date*	% Increase	+ Margin
1 July 2025	% increase applied on the GRIA base rate	10 cents per hour
1 July 2026	% increase applied on the GRIA base rate	15 cents per hour
1 July 2027	% increase applied on the GRIA base rate	20 cents per hour
1 July 2028	% increase applied on the GRIA base rate	25 cents per hour

**Applies from the first full pay period on or after this date.*

Junior Rates

The SDA has lodged an application in the Fair Work Commission to abolish junior rates for workers aged 18-20 years old and lift rates of pay for most workers under 18.

If this application is successful, team members will receive, as a minimum the full benefit of those higher GRIA rates of pay plus 1c during the term of the proposed Agreement.

Junior rates will be above the GRIA at any time during the life of the Agreement, including loadings and penalty rates.

Span of Hours

The current span of hours is 6.00am to midnight Monday to Sunday. Currently work between 6.00am and 7.00am and after 11.00pm is paid at the equivalent of the overtime rate of pay.

The new Agreement has extended the commencement of the Span of Hours to 5am. Any work performed between 5am and 6am will be paid at the equivalent of the overtime rate of pay

Workplace Training

All work-related training will be paid. Where training is directed to occur outside a team member's shift, the team member and Store Manager will agree on the day and time the training will occur. If agreement cannot be reached, the training will occur during a team member's rostered shift.

Penalty Rates – Increases in 2028

The base rates of pay apply on Monday to Friday between 7.00am to 6.00pm.

For all other hours worked outside of 7.00am to 6.00pm Monday to Friday team members are paid the equivalent hourly GRIA rate of pay (inclusive of penalty rates) plus an additional 1c.

Under the proposed Agreement, from the first full pay period on or after 1 July 2028, team members will be paid the percentage penalty rate on the team members base rate of pay inclusive of the additional 25c per hour.

Agreement Day Work Penalty Rates

Time of ordinary hours worked	Full-time & part-time	Casual
Mon to Fri 6pm-11pm	125%	150%
Mon to Fri 5am-7am and 11pm-midnight	150%	175%
Sat 7am-11pm	125%	150%
Sat 5am-7am and 11pm-midnight	150%	175%
Sun 9am-11pm	150%	175%
Sun 5am-9am and 11pm-midnight	200%	225%
Public holiday All ordinary hours	225%	250%

Agreement Night Shift Penalty Rates

Time of ordinary hours worked	Full-time & part-time	Casual
Monday to Friday	130%	155%
Saturday	150%	175%
Sunday	175%	200%

ALLOWANCES

Allowances will be increased in line with increases to the allowances in the GRIA. Allowances will be no less than the GRIA during the life of the Agreement.

Uniform Allowance: Kmart will pay a uniform allowance of \$1.25 per shift for casual and part-time team members and \$6.25 per week for full-time team members who wear a uniform regardless of their commencement date.

First Aid Allowance: The proposed Agreement aligns the first -aid allowance to the entitlement provided for in the GRIA.

Recall Allowance: The recall allowance has been clarified so it does not apply where:

- » a team member voluntarily works additional ordinary hours on a rostered day off;
- » a casual team member picks up an extra shift; or
- » a part-time team member agrees to increase their hours of work under a temporary variation.

CLASSIFICATIONS

Classifications will be aligned to reflect current tasks and duties. The classification structure has been aligned with the corresponding classification in the GRIA.

The Proposed Agreement provides for the following classifications:

Classification	Relative GRIA Classification
Retail Assistant	Retail Employee Level 1
"Ride-on" Trolley Collector	Retail Employee Level 2
Clerical Administrator	Retail Employee Level 4
Assistant Supervisor	Retail Employee Level 4
Supervisor	Retail Employee Level 6

Higher Duties

There will no longer be 'higher duties grades'. Where a team member is required to perform duties at a higher classification, they will be paid in accordance with the higher duties clause.

When a team member performs duties at a higher classification than their normal classification on any day or shift, they will be paid:

- a. at the higher rate of pay for the whole shift if higher duty work exceeded 2 hours,
- b. the higher rate of pay for the actual time worked at the higher classification if higher duty work was for two 2 hours or less.

SUPERANNUATION

The Superannuation Guarantee employer contribution is 11.5% of a team member's ordinary time earnings. In line with legislation this will increase to 12% on 1 July 2025.

Kmart to pay additional superannuation on Parental Leave

Under the proposal, Kmart will now pay permanent team members superannuation on both paid and unpaid parental leave, up to a maximum of 12 months.

During unpaid parental leave, superannuation contributions will be calculated on the contracted ordinary hours of work of the team member immediately prior to parental leave, at the team members base rate of pay.

FAIRER ROSTERING & MORE HOURS

Increase in part-time minimum engagement

The minimum engagement for a part-time team member will be increased from 3 hours to 4 hours per shift except for voluntary additional start shifts. Existing part-time team members may elect to retain the 3-hour minimum shift engagement.

Where an existing team member elects to maintain the 3 hour minimum shift they may increase their minimum shift engagement to 4 hours upon providing Kmart notice.

Increase to part-time minimum contract hours

The proposal increases minimum part-time hours to 48 hours (currently 24 hours) over 4 weeks (an average of 12 hours per week).

Existing part-time team members who work less hours than the new minimum can elect to maintain their existing total hours. Where an existing team member elects to maintain their current minimum hours, they may increase their hours to 12 hours per week upon providing Kmart notice.

Increase part-time hours

When Kmart proposes a roster change for a part-time team member, the team member can request to increase their contract hours based on the average additional hours worked in the previous 26 weeks.



More Hours: Voluntary Second Start Shift

Part-time and casual day work team members who are 18 years and older may elect to work a secondary shift a day on a strictly voluntary basis. The secondary shift must be at least 3 hours. All work on a day (inclusive of the secondary shift) will be treated as one shift for all purposes of the Agreement, except for meal and rest breaks. There will be a minimum 2 hour break between shifts on a day.

Payment for the secondary shift is at the base rate of pay plus applicable penalty rates and is subject to the rostering and overtime conditions of the Agreement.

A team member can only volunteer to work a secondary shift once they have commenced employment. A team member can withdraw their agreement by providing notice to Kmart.

Multi Site Option

Currently team members may nominate additional store locations within a 15 km radius of their residence in which they may be offered work. Under the proposed Agreement the 15 km restriction has been removed. Team members will be engaged at a base store and may elect to work at nominated additional stores. This will be recorded in writing.

The team member must work their core contracted hours at their base store only and additional hours are worked at the additional store location. Team members may agree to work additional contracted hours at additional stores.

The travelling time reimbursement and excess traveling costs do not apply where a team member works at a nominated additional store. The election to work at additional stores is strictly voluntary and cannot be a condition of employment.

4-Day Week

Full-time team members may be rostered to work their contract hours over 4 days per week, by agreement. This may involve working up to 9.5 hours per day and up to 4 weekend shifts over a 4-week cycle.

By agreement with Kmart, if a part-time team member works their standard roster over 5 days in a week, they can request to work a 4 day per week roster.

Right to Care

The proposal contains a Right to Care clause recognising:

- » The challenges that team members face when balancing their work and caring commitments.
- » Team members have commitments outside work and different caring responsibilities.
- » That there are benefits for both team members and Kmart when caring responsibilities are accommodated.

MEAL BREAKS

- » Under the proposed Agreement a team member can agree to work up to 6 hours and forego the meal break, provided that their rest break is taken at least 2 hours prior to the end of their shift. A team member can withdraw their agreement which will take effect from the start of the pay period that is 2 weeks after the notice.
- » 45 minute meal breaks have been removed. All meal breaks will be 60 minutes (or 30 minutes by agreement). Team members will be entitled to a second meal break where a team member works 10 hours or more (currently more than 10 hours).
- » The timing and duration of meal breaks will be included in the roster.

LEAVE & PUBLIC HOLIDAYS

Expanded definition of Immediate Family

The proposal includes a significant expansion of the definition of immediately family for the purpose of personal, carers and compassionate leave:

- » **Immediate Family:** This remains unchanged and includes a spouse (including a former spouse), de facto partner (including a former de facto partner); child (including adopted, step, foster child or a child placed on a permanent care order); parent (including a step-parent or parent of a spouse or de facto partner); grandparent (including grandparent of a spouse or de facto partner); grandchild (including grandchild of a spouse or de facto partner); sibling of a team member (including sibling of a spouse or de facto partner);
- » **Found Family:** This is in recognition that there are diverse types of family arrangements in the community. Found family is where the team member is out of contact with a member or members of their immediate family, and there is another person with whom the team member has a genuine relationship of identifiable equivalent significance.
- » **Significant Person:** Being a person who the team member has an enduring relationship with, of at least 12 months. In the case of carer's leave, they are a person generally unable to source care, other than from the team member.
- » **Kinship:** The definition of immediate family also now includes a person related to the team member according to Aboriginal or Torres Strait Islander kinship rules.

Increased Compassionate Leave

The proposed Agreement provides for a number of improvements to compassionate leave for permanent team members:

- » 10 days on the death of a spouse (or de-facto partner), parent (including step parent), child (including adopted, step or foster child) or sibling (currently 5 days). This includes Found Family.
- » 10 days where a team member or their spouse (or de-facto partner) has a miscarriage, or a child is stillborn.
- » Ability to extend a period of compassionate leave by an additional 5 shifts by accessing their annual leave.

Other current compassionate leave provisions are maintained.

Personal Leave Without Evidence

Under the proposed Agreement team members will be able to access up to 4 days of paid personal/carer's leave per calendar year without evidence except for either the day before or the day after a public holiday. The current agreement provides for 2 days without evidence.

Kmart may require a team member to provide evidence (i.e. medical certificate or statutory declaration) for all other personal/carer's leave absences in a year.

Casual team members are not required to provide evidence when they are unable to attend work due to a personal illness or injury.

Personal Leave Notice

When a team member is taking personal leave and is unable to notify the store by phone that they are unwell and are unable to attend work, they may now provide notice by SMS to the store mobile phone.

Evidence for Long Term Care

When a team member has an immediate family member with a terminal or long-term illness, they may provide evidence of the need to take carer's leave once every 3 months. This evidence will then apply for this caring responsibility for the next 3-month period.

Long Service Leave

The proposal includes that long service leave may be taken in periods of single days, where it is permitted under the relevant state or territory legislation.

Parental Leave – work on a part-time basis

A full-time or part-time team member may request to work fewer contracted hours when they return after parental leave and until their child reaches school age. Such request will not be unreasonably refused.

Family and Domestic Violence Leave

Team members, including casuals are entitled to 10 days paid (inclusive of penalties / loadings) family and domestic violence leave per year.

Casuals will be paid based on their accepted rostered shifts. In circumstances where the casual is not rostered to work the casual team member may access up to 5 days family and domestic violence leave and be paid 4 hours for the day at the Casual Rate of Pay.

Natural Disaster Leave extended to Casuals

In the current agreement natural disaster leave only applies to permanent team members. Under the proposed Agreement casual team members will also be entitled to payment (up to 3 paid days per year) when they are rostered to work and need to leave work due to a natural disaster that poses a threat to their property or to care for their children.

TASMANIA ONLY – Easter Sunday in Tasmania

Where Easter Sunday is a public holiday in all Australian States and Territories except for Tasmania, Easter Sunday will be treated as a public holiday in Tasmania for the purposes of the Agreement.

NSW ONLY – Picnic Day retained

The public holiday entitlement on Picnic Day has been retained.

CASUAL CONVERSION TO PERMANENT EMPLOYMENT

Consistent with changes to the National Employment Standards (NES) the proposed Agreement removes the current casual conversion clause and replaces it with the Employee Choice Pathway.

Casual team members may request to convert to permanent employment after 6 months and have the right to apply every 6 months after that if they no longer meet the definition of casual employment.

Casual employment means a worker who has been provided no firm advance commitment to ongoing work.

Requests to convert can only be rejected on reasonable grounds and the Fair Work Commission can arbitrate a dispute.

UNION RIGHTS

A new union clause has been inserted which contains existing SDA arrangements and new rights for SDA Delegates and Officials including:

- » SDA Delegates can discuss work-related matters with a team member and provide information about the workplace to them, including Union membership.
- » A new paid SDA Delegate training clause.
- » A paid meeting with the SDA of 30 minutes duration per team member, per store, in each half year.

REQUESTS FOR FLEXIBLE WORKING ARRANGEMENTS

Flexible Working Arrangements is being updated in line with new legislation:

- » A request for flexible working arrangements can now be made by a pregnant team member.
- » Additional requirements for Kmart to have discussions with a team member following a request by the team member for a flexible working arrangement.
- » Where an agreement has been reached on a flexible work arrangement Kmart must provide in writing a statement that the request or a variation of the request has been agreed.
- » Any refusal to the request must be in writing and include detailed reasons for the refusal.

SAVINGS PROVISIONS

Some team members working under the current Agreement receive a saved weekly or saved shift payment (Saved Payments). Under the proposed Agreement the Saved Payments will be maintained at their current value for the life of the proposed Agreement (unless the Agreement rate is higher). The Saved Payments will cease to apply effective from the nominal expiry of the new Agreement (which is 4 years from the date of approval).

MEDICAL APPOINTMENTS

Kmart will not attend any medical, or medical-like appointments of team members, without the team members' consent.

DARK STORES/CFC COVERAGE

The proposed Agreement covers retail establishments including "dark stores" and Customer Fulfilment Centres.

Kmart has advised it does not currently operate any "dark stores" or Customer Fulfilment Centres. However, Kmart has agreed to notify the SDA as soon as it decides to open a "dark store" or Customer Fulfilment Centre and to enter into good faith discussions regarding the relevant terms and conditions of employment which shall apply to work performed in such retail establishments.

This shall not be a term of the proposed Agreement.