



July 2010 Minimum Wage Decision: ***What the key stakeholders are hoping for***



Fair Work Australia (FWA) is taking submissions from key stakeholders across the nation in the lead up to its inaugural minimum wage decision. The decision is expected to take effect on 1 July 2010 and is likely to be released by FWA a month beforehand so employers can prepare for the decision.

A number of interest groups have lodged their bids for what they would like the decision to be. Unions and the Federal Government are standing together in their demands for a real wage increase to make up for the now defunct Fair Pay Commission's wage freezing decision in 2009. Employer groups are looking for a more conservative decision with reference to the uncertainty that has arisen post GFC.

The submissions of large stakeholders are provided below and generally give a good indication as to the compromise we can expect from the decision:

The ACTU

Unions are seeking an across the board increase to minimum Award wages of \$27 per week. According to ACTU Secretary Jeff Lawrence there was a strong case for the FWA minimum wage panel to order the \$27 per week increase. This was especially so, considering the Fair Pay Commission last year delivered a wage freeze to the nation's 1.4 million low-income workers at a time when average ordinary wages increased by 3%. The ACTU has argued that their claim of \$27 per week is responsible because of the good economic outlook and the RBA's expectation of a return to normal growth this year.

The Federal Government

The Federal Government was less specific than other stakeholders, opting out of including any actual figure or percentage in its submissions. Instead the Government argued that FWA needs to order a considered real increase in minimum wages that at a minimum reflects the cost increases since the last minimum wage rise in 2008. While this might seem vague, in essence the Government is arguing for an increase not dissimilar from that requested by the ACTU. The Federal Government berated its predecessors stating that real wages fell under their regime and that they would like FWA to make up the ground.

ACCI & AiG

Leading employer groups are urging FWA to exercise caution in making its decision and have gone as far as to suggest that the decision be delayed. According to AiG and ACCI, the cost burdens placed on employers by the award modernisation process will be compounded by an FWA decision for an increase. AiG and ACCI have argued for an increase in the region of \$12 per week less than half of that sought by the ACTU. ACCI went further to suggest that this increase should not take effect until 1 October 2010.

Submission from these and other stakeholders can be viewed on line by clicking [here](#). The Federal Minimum Wage presently sits at \$543.78 per week but is likely to be increased in the middle of this year (circa 1 July 2010). Employers are advised to contact Workwise on 9792 4451 with any queries regarding employee rates of pay.

Disclaimer: The information contained in this article is a summary only of the subject matter covered. Whilst Workwise endeavours to provide clients with accurate information no part of this summary should be used as a substitute for professional advice.

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