

TASMANIAN INDUSTRIAL COMMISSION

Industrial Relations Act 1984

s35 application for increase in Tasmanian minimum wage
s23(1) application for award or variation of award

Tasmanian Trades and Labor Council

(T14556 of 2017)

PUBLIC SECTOR AWARDS

PRESIDENT D BARCLAY
DEPUTY PRESIDENT NM ELLIS
COMMISSIONER T LEE

HOBART, 29 NOVEMBER 2017

Wage Rates - Tasmanian minimum wage rate determined at \$694.90pw – s47AB - supported wage varied - operative date from first full pay period on or after 1 August 2017

DECISION

[1] On 21 September 2017 the Tasmanian Trades and Labour Council (TTLC) lodged an application seeking to:

- Vary the Tasmanian minimum wage for an adult in full-time employment specified by s47AB of the *Industrial Relations Act 1984* (the Act) by an increase of 3.3% to become \$694.90 per week effective from 1 August 2017, and to increase the Minimum Wage contained in awards to the same level.
- Increase the minimum wage payable to persons engaged under the supported wage system in accordance with past practice.

[2] This application arises from the Annual Wage Review 2016-17 of the Fair Work Commission (FWC) handed down on 6 June 2017.¹ In its decision the FWC Full Bench determined that:

“**[742]** The national minimum wage order will contain:

(a) a national minimum wage of \$694.90 per week or \$18.29 per hour;

(b) two special national minimum wages for award/agreement free employees with disability: for employees with disability whose productivity is not affected, a minimum wage of \$694.90 per week or \$18.29 per hour based on a 38-hour week, and for employees whose productivity is affected, an assessment under the supported wage system, subject to a minimum payment fixed under the SWSS;

¹ [2017] FWCFB 3500

(c) wages provisions for award/agreement free junior employees based on the percentages for juniors in the Miscellaneous Award 2010 applied to the national minimum wage;

(d) the apprentice wage provisions and the NTWS in the Miscellaneous Award 2010 for award/agreement free employees to whom training arrangements apply, incorporated by reference, and a provision providing transitional arrangements for first year award/agreement free adult apprentices engaged before 1 July 2014; and

(e) a casual loading of 25 per cent for award/agreement free employees.

[743] The outcome of this Review in relation to modern award minimum wages is that from the first full pay period on or after 1 July 2017 minimum weekly wages are increased by 3.3 per cent, with commensurate increases in hourly rates on the basis of a 38-hour week. The increase applies to minimum wages for junior employees, employees to whom training arrangements apply and employees with disability, and to piece rates, through the operation of the methods applying to the calculation of those wages. Wages in the NTWS will be increased by 3.3 per cent."

[3] The matter proceeded to hearing on 29 November 2017. Ms J Munday appeared for the Tasmanian Trades and Labor Council (TTLIC), Ms N Jones appeared for the Community and Public Sector Union (State Public Services Federation Tasmania) Inc (CPSU). Ms L Ross and Mr T Witt appeared for the Minister administering the State Service Act (MASSA) (the Minister).

[4] Ms Munday provided submissions in support of the application. The TTLIC submitted that the Commission should not depart from the approach to apply the minimum wage increases "in line with that determined by Fair Work"². Ms Munday stated the 3.3% increase raises the minimum wage from \$17.70 to \$18.29 per hour, and the increase is in the public interest and maintains the relevant safety net minimum. Ms Munday noted that the expense related allowance increases had already been settled.

[5] Ms Munday advised that the MASSA had noted prior to the hearing, that there will need to be further discussions around an enabling clause in the Tasmanian State Service National Training Wage Award, which was agreed by the parties.

[6] Ms Jones endorsed the submissions made by the TTLIC and agreed the variation is in accordance with the public interest.

[7] Email correspondence was received from the Australian Education Union, Tasmanian Branch and United Voice, Tasmanian Branch consenting to the application. No other parties sought to be heard.

[8] Ms Ross submitted that the Minister did not oppose the proposed increase of 3.3% to the Tasmanian minimum wage and the supported wage system, and noted the increase had a minimal impact on the Tasmanian State Service, indeed she agreed that the increase was not likely to have any impact on the State Service.

[9] The Tasmanian Industrial Commission has aligned the Tasmanian minimum wage with that determined by the Fair Work Commission over recent years. In the present

² Transcript para 13

circumstances, and noting the unanimous consent, we consider that it is consistent with the public interest to continue the alignment on this occasion.

[10] Pursuant to s47AB of the Act we determine that the Tasmanian Minimum Wage for an adult in full-time employment will be \$694.90 per week effective from the first full pay period commencing on or after 1 August 2017.

[11] Awards containing a supported wage clause will be varied to reflect the new supported wage of \$84.00 per week. We note that this rate has historically been set at an income level which does not compromise benefits received under the Disability Support Pension.

[12] Pursuant to s23 of the Act, awards containing a minimum wage clause will be varied to reflect this decision.

[13] Award variations arising from this decision will be effective from the first full pay period commencing on or after 1 August 2017.

[14] Orders arising from this decision will be settled by the Registrar with recourse to the President.



Appearances:

Ms J Munday for TTLC

Ms L Ross for MASSA

Mr T Witt for MASSA

Mr N Jones for CPSU

Date and place of hearing:

2017

November 29

Hobart