

## TASMANIAN INDUSTRIAL COMMISSION

### Industrial Relations Act 1984

s35 application for increase in Tasmanian minimum wage

### Tasmanian Trades and Labor Council

(T14701 of 2019)

## PUBLIC SECTOR AWARDS

PRESIDENT D BARCLAY  
COMMISSIONER T LEE  
COMMISSIONER T CIRKOVIC

HOBART, 25 NOVEMBER 2018

**Wage Rates - Tasmanian minimum wage rate determined at \$740.80 pw – s47AB - supported wage varied to \$87.00pw – salary rates – National Training Wage - operative date from first full pay period on or after 1 August 2019**

## AMENDED DECISION

[1] On 8 October 2019 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 s 47AB of the *Industrial Relations Act 1984* (the Act) by an increase of 3% to become \$740.80 per week effective from 1 August 2019, 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.
- Adjust salary rates in the Tasmanian State Service National Training Wage Award by an increase of 3%.

[2] This application arises from the *Annual Wage Review 2018-19* of the Fair Work Commission (FWC) handed down on 30 May 2019.<sup>1</sup> In its decision the FWC Full Bench noted:

“[454] The national minimum wage order will contain:

- (a) A national minimum wage of \$740.80 per week or \$19.49 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 \$740.80 per week or \$19.49 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;

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<sup>1</sup> [2019] 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 National Training Wage Schedule 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.

**[455]** 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 2019 minimum weekly wages are increased by 3.0 per cent, with commensurate increases in hourly rates on the basis of a 38-hour week.

**[456]** The increases to the NMW and modern award are made to weekly wages. After the increase has been applied, the NMW or the modern award minimum weekly wage is rounded to the nearest 10 cents. To obtain an hourly wage, the weekly wage is divided by 38, on the basis of a 38-hour week for a full-time employee.

**[3]** The matter proceeded to hearing on 11 November 2019. Ms Marta Hodul-Lenton appeared for the Tasmanian Trades and Labor Council (TTLC), Mr Ben Phillips and Mr Tim Witt appeared on behalf of the Minister administering the State Service Act 2000 (MASSA), Mr James Eddington appeared on behalf of the Health Services Union, Tasmanian Branch, (HSU), Mr James Milligan appeared for the United Workers' Union (UWU), Ms Natalie Jones appeared for the Community and Public Sector Union (State Public Services Federation Tasmania) Inc. (CPSU) and Mr Leigh Hills appeared on behalf of the United Firefighters Union Australia, Tasmania Branch.

**[4]** Ms Hodul-Lenton provided submissions in support of the application:<sup>2</sup>

"President Barclay and Commissioners, this is an application pursuant to section 47AB of the Industrial Relations Act 1984 to determine the minimum weekly wage in Tasmania and to vary the listed State Service Awards to essentially give effect to the three per cent increase that was handed down by the Fair Work Commission as part of its annual wage review effective from 1 July this year. This raised the national minimum wage from \$18.93 an hour to \$19.49 an hour for \$740.80 for a 38 hour a week and raised the national supported and training wages.

We are seeking to increase the minimum wage payable also to persons engaged under the supported wage system in accordance with previous practice, and it's our understanding that the Commission has received a written list of the specific award variations that we seek in this application.

The Fair Work Commission determined a three per cent wage rise was appropriate taking into account statutory and economic considerations. They noted that this increase will improve the relative living standards of the low paid and enable them to better meet their needs without the risk of adverse employment effects or reduced employment opportunities. In recent years the Tasmanian Industrial Commission has aligned our minimum wage with that determined by Fair Work, and we submit the Commission need not

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<sup>2</sup> Transcript PN14-PN19.

depart from that approach. The Tasmanian Trades and Labour Council asserts that this is a fair and reasonable way to maintain the Tasmanian minimum wage.

We also note the Commission must have regard to the public interest in exercising its jurisdiction to determine the minimum weekly wage and to vary the awards. It is our submission that it is in the public interest to increase the Tasmania's minimum wage in line with the national minimum wage order in order to maintain a relevant minimum safety net.

In relation to the supported wage system custom and practice has seen the rate increase in line with the national supported wage minimum and consistent with income tests for pensions set by the Department of Human Services. These have been published and we seek the supported wage minimum to be increased to \$18 per week.

In relation to the Tasmanian State Service National Training Award we note that the decision on our application last year stated that the Commission considered that it is consistent with the public interest to continue the alignment with the determination made by the Fair Work Commission at point 8, and the Fair Work Commission's decision last year and it's decision this year applied the increase to training wages at the same date as increases to all other wages. Last year the increase to this award was applied at 1 August, and we assert that it's fair and consistent to keep the State in line with the annual run August date that is applied to other awards. A delay in the application of this variation would leave workers under this award at a relative disadvantage to other workers."

**[5]** Ms Jones, Mr Eddington, Mr Milligan and Mr Hills endorsed the submissions made by the TTLC and agreed the variations are in accordance with the public interest.

**[6]** Emailed correspondence was received, prior to the hearing, from the Police Association of Tasmania and the Australian Education Union, Tasmania Branch, consenting to the application.

**[7]** Mr Phillips submitted:

"The Minister administering the State Service Act does not oppose the application before you to increase both the Tasmanian minimum wage and the supported wage system. It is noted that there are - to my understanding there are no current Tasmanian State Service employees who were paid in accordance with the minimum wage clause in any award meaning the impact of this on the Tasmanian State Service is minimal".

**[8]** The Commission has aligned the Tasmanian minimum wage with that determined by the Fair Work Commission over the recent past. In the present circumstances and noting the unanimous consent, we consider that it is consistent with the public interest to continue the alignment on this occasion.

**[9]** Pursuant to s47AB of the Act we determine that the Tasmanian minimum wage for an adult in full-time employment will be \$740.80 per week effective from the first full pay period commencing on or after 1 August 2019.<sup>3</sup>

**[10]** Awards containing a supported wage clause will be varied to reflect the new supported wage of \$87 per week effective from the first full pay period commencing on

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<sup>3</sup> Annexure 1

or after 1 August 2019<sup>4</sup>. We note that this rate has historically been set at an income level which does not compromise benefits received under the Disability Support Pension.

**[11]** Salaries contained in the Tasmanian State Service National Training Wage Award will be increased by 3.0 per cent, effective from the first full pay period on or after 1 August 2019, as determined by the Full Bench.

**[12]** Pursuant to s23 of the Act, awards containing minimum wage and supported wage clauses will be varied to reflect this decision.

**[13]** All Award variations arising from this decision will be effective from the first full pay period or on after 1 August 2019. Noting Ms Hodul-Lenton's submission regarding the commencement of the increase to the training wage, we determined that as a matter of fairness, uniformity and the fact that the financial impost on commencing the training wage at the same time as the increase in the minimum wage was minimal, that the increase in the training wage should commence at the same time as the increase in the minimum wage.

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



D Barclay  
**President**

**Appearances:**

*Ms L Hodul-Lenton for TTLC*  
*Mr Phillips and Mr Witt for MASSA*  
*Mr J Eddington for HSU*  
*Mr J Milligan for AWU*  
*Ms N Jones for CPSU*  
*Mr L Hills for UFUA*

**Date and place of hearing:**

2019  
November 11  
HOBART

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<sup>4</sup> Ibid

**Annexure 1**

<b>Award</b>	<b>Tasmanian Minimum Wage</b>	<b>Supported Wage System</b>
AWU (Tasmanian State Sector) Award	\$740.80	\$87.00
Custodial Officers Award	\$740.80	\$87.00
Facility Attendants (Tasmanian State Service) Award	\$740.80	\$87.00
Governor of Tasmania Staff Award	\$740.80	\$87.00
Health and Human Services (Tasmanian State Service) Award	\$740.80	\$87.00
Legal Practitioners Award	\$740.80	\$87.00
Nurses and Midwives (Tasmanian State Service Award)	\$740.80	N/A
Parliamentary Staff Award	\$740.80	\$87.00
Police Award	\$740.80	N/A
Port Arthur Historic Site Management Authority Award	\$740.80	\$87.00
Ambulance Tasmania Award	\$740.80	N/A
Tasmanian Fire Fighting Industry	\$740.80	N/A
Tasmanian State Service Award	\$740.80	\$87.00
TasTAFE Teaching Staff Award	\$740.80	\$87.00
Teaching Service (Tasmanian Public Sector) Award	\$740.80	\$87.00