



Australian Road Transport  
Industrial Organisation

ABN: 63 734 697 902

# AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION

*Respect, Respond and Represent*

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## NATIONAL WAGE CASE DECISION - 2013



In its fourth decision since taking over from the Australian Fair Pay Commission, the Minimum Wage Panel of Fair Work Commission **today** (Monday 3<sup>rd</sup> June 2013) released its National Wage Case decision.

The decision provides that:

- All **Modern Award** classification scales shall **increase by 2.6%**.
- The **federal minimum wage** for award free employees shall be **\$622.20 per week** or \$16.37 per hour. The hourly rate has been calculated on the basis of a 38 hour week for a full-time employee. This constitutes an increase \$15.80 per week or 0.41 cents per hour.
- The **increases shall apply from the first pay period on or after 1<sup>st</sup> July 2013**.

The ACTU had sought an increase of \$30 per week while major employer groups had sought an increase between \$6 and \$10 per week.

The Minimum Wage Panel in their decision stated *“Following earlier volatility, annual inflation has been subdued over the past year, at around 2.5 per cent on all Consumer Price Index (CPI) based measures over the year to the March quarter 2013 and lower still using the Living Cost Index (LCI) measure. Inflation remains comfortably within the Reserve Bank of Australia (RBA) target range of 2–3 per cent. Wages growth, reflected in the Wage Price Index (WPI) and bargaining outcomes, has moderated, growing at their lowest rate for a decade (excluding the global financial crisis impact in 2008). Profits in the non-mining part of the economy have risen as have real unit labour costs, but the rise in real unit labour costs is a result of a fall in the price index rather than higher rates of compensation of employees”* and *“While we have taken the 0.25 per cent increase in the SG rate into account in determining the level of increase in minimum wages in the Review, we have not applied a direct, quantifiable, discount to the minimum wage increase, as proposed by some parties. The range of considerations we are required to take into account calls for the exercise of broad judgment, rather than a mechanistic approach to minimum wage fixation”*.

*“We have decided that the range of considerations we are required to take into account favours the award of an increase which will result in a small improvement in the real value of modern award minimum wages in 2013–14”*.

Members who have Workplace Agreements in place will need to ensure that their agreement rates meet or exceed the new minimum award rates and if the agreement pay increases are linked to the panel's decision, the pay rates will need to be adjusted within the Workplace Agreement accordingly.

The increases can be absorbed into any amounts now being paid over and above the relevant minimum rates. However be aware the Fair Work Ombudsman makes it clear that over award pay-rates can NOT off-set other award entitlements (e.g. penalties or loadings) unless there is formal agreement in place. Rates for juniors, trainees and apprentices will also be adjusted, as usual, on a proportionate basis.

QTA Ltd through the services of our Employment Relations Manager, Travis Degen can provide first class assistance to any operator who seeks to formalise the employment conditions in their workplace in an Agreement certified by Fair Work Commission.

**Members will receive amendments to their relevant Modern Award(s) specifying the new Pay Rates adjusted by the 2.6%, once the Awards are formally amended by the Fair Work Commission. We hope this will be within a short timeframe and certainly prior to the end of June. Members may however budget at the rate increased as provided in this Alert.**

***Should members have any queries in relation to the above or its application, please contact QTA's Employment Relations Manager, Travis Degen on 07 3394 4388 (office), 0400 855 009 (mobile) or email [travis@qta.com.au](mailto:travis@qta.com.au)***

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