



Safety Net Review 2004

Full Bench (7 members) presiding over case:

Commission President Justice Geoffrey Giudice, Vice President Iain Ross, Vice President Michael Lawler, Senior Deputy President Jan Marsh, Senior Deputy President Brian Lacy, Commissioner Annette Larkin and Commissioner Gareth Grainger.

Summary of Decision - 5 May 2004 [PR002004]

The Full Bench decides on a safety net increase of \$19 per week in all federal award rates.

The decision increases the Federal Minimum Wage from \$448.40 to \$467.40 per week.

NB. Please read the full decision for reasons and the determination of other issues.

Who receives the increase?

The pay increase applies only to federal award employees and, at the time of decision, only to workers covered by the awards specified in the case. Further applications must be made to flow the decision on to other federal awards.

In general, federal award employees who receive above-award pay rates, such as those covered by certified agreements, will not receive an increase. The decision provides for the absorption of part or all of the increase into the above-award pay rate.

State industrial tribunals conduct their own State wage cases, but usually have regard to the national wage decision.

Procedural History

Applications filed by ACTU/unions	from 14 Nov 2003
Directions hearings	12 Dec 2003 and 2 Mar 2004
Statement and directions issued	16 Dec 2003
Decision issued	4 Mar 2004 [PR944225]
Deadlines for written submissions, affidavits and replies	28 Jan, 4 and 18 Feb, 9 and 16 Mar 2004
Hearings for oral submissions	22-26 and 29 Mar 2004
Decision issued	5 May 2004 [PR002004]

The 2003-04 claim

ACTU wage claim:

Sought an increase in federal award pay rates of \$26.60 per week.

Documents Online

Documents relating to the case - including the applications, directions and previous decisions, transcript, submissions and exhibits - can be accessed from a dedicated page on the AIRC web site.

The address is <http://www.e-airc.gov.au/wage2004>

Previous Decisions

Last decision - 6 May 2003 [PR002003]

Full Bench decided on a safety net increase of the following amounts:

1. a \$17 increase in award rates up to and including \$731.80 per week; and
2. a \$15 per week increase in award rates above \$731.80 per week.

Decision - 9 May 2002 [PR002002]

Full Bench decided on a safety net increase of \$18 per week in all award rates.

Decision - 2 May 2001 [PR002001]

Full Bench decided on the following adjustments to award rates:

1. a \$13 per week increase in award rates up to and including \$490 per week;
2. a \$15 per week increase in award rates above \$490 per week up to and including \$590 per week; and
3. a \$17 per week increase in award rates above \$590 per week.

The Process

The Commission is required under the *Workplace Relations Act 1996* to "ensure the maintenance of an effective award safety net of fair and enforceable minimum wages and conditions of employment".

The Safety Net Review or national wage case is initiated when unions apply to vary pay rates in a number of key awards. These applications are joined to form a test case with the unions' position presented by the ACTU. Respondent employers are represented by the Australian Chamber of Commerce and Industry, the Australian Industry Group and other relevant employer organisations. Commonwealth and State governments generally intervene as do other interested bodies.

The case examines whether the Australian economy can afford a general pay increase, what the size of such an increase should be and any conditions that should be attached to it. The parties may also seek changes to the Commission's wage-fixing principles.

A pay increase awarded by the Full Bench applies only to federal award employees and, at the time of decision, only to workers covered by awards specified in the case. Further applications must be made to flow the decision on to other awards. State industrial tribunals conduct their own State wage cases, but usually have regard to the national wage decision.

Further information:

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Please note: The above information has been prepared to assist members of the public, and particularly the media, in gaining a basic understanding of this case. It is a summary only and it is recommended that those with an interest in the case read the full details of the current and previous decisions as well as the written submissions. Such documents are available at a dedicated web site at

<http://www.e-airc.gov.au/wage2004>.