



Safety Net Review 2005

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 Les Kaufman, Commissioner Len Hingley and Commissioner Gareth Grainger.

Summary of Decision - 7 June 2005 [PR002005]

The Full Bench decides on a safety net increase of \$17 per week in all federal award rates. The decision increases the Federal Minimum Wage from \$467.40 to \$484.40 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 21 Oct 2004
Directions hearing	3 Dec 2004
Statement and directions issued	7 Dec 2004
Statement and amended directions issued	23 Dec 2004
Deadlines for written submissions, affidavits and replies	18 and 25 Feb, 11 Mar and 4 and 7 Apr 2005
Hearings for oral submissions	12-15 Apr 2005
Deadline for post-Budget submissions	17 May 2005
Statement issued	18 May 2005
Decision issued	7 Jun 2005

The 2004-05 claim

The Australian Council of Trade Unions' 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/wage2005>

Previous decisions

Last decision - 5 May 2004 [PR002004]

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

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.

The Process

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. They may also file their own claims. 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 previous decisions as well as the written submissions. Such documents are available at a dedicated web site at

<http://www.e-airc.gov.au/wage2005>.