

3 June 2010

Employment Law e-alert

FWA's First Minimum Wage Decision

Fair Work Australia ("**FWA**") handed down its first annual wage decision at 11.00 am today. The responsibility to determine minimum wages has been returned to the industrial tribunal from the Australian Fair Pay Commission by the Rudd Government.

FWA has made the following determinations:

- To increase the federal minimum wage from \$14.31 per hour to \$15.00 per hour (\$569.00 per week); and
- To increase adult award minimum rates of pay by \$26.00 per week across the board.

These represent the first increases to minimum wages since 1 October 2008. In July 2009, the Australian Fair Pay Commission applied a wage freeze to both the federal minimum and adult minimum rates of pay.

The increases awarded will take effect from 1 July 2010.

The quantum of the increase is greater than expected, although there has been no movement in wages for 21 months.

The ACTU pushed for an increase of \$27.00 per week. By contrast, AIG and ACCI argued for more moderate increases of \$12.00 per week and \$12.50 per week respectively. AIG also sought a 12 month delay in the implementation date to 1 July 2011, for those employers in industries faced with large cost increases on 1 July 2010 as a result of award modernisation. This was sought under the exceptional circumstances provisions in the FWA Act. FWA rejected this submission.

Contacts

Martin Dunne, Sydney (City)	+61 2 9391 3211	mdunne@hunthunt.com.au
Ian Miller, Sydney (North West)	+61 2 9804 5704	imiller@hunthunt.com.au
David Thompson, Melbourne	+61 3 8602 9252	dthompson@hunthunt.com.au
Tim Lange, Melbourne	+61 3 8602 9208	tlange@hunthunt.com.au
Andrew Knott, Brisbane	+61 7 3292 9760	aknott@macrossans.com.au
Chris Sharp, Adelaide	+61 8 8414 3385	csharp@hunthunt.com.au
Darren Miller, Perth	+61 8 9488 1300	darren.miller@marksandsands.com.au
Sarah Sealy, Hobart	+61 3 6231 0131	ssealy@hunttas.com.au
Chris Osborne, Darwin	+61 8 8924 2600	cosborne@huntnt.com.au
Justine Matthews, Newcastle	+61 2 4925 5500	jmatthews@hunthunt.com.au