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## Employment Law e-alert

### FWA's Second Minimum Wage Decision

Fair Work Australia ("FWA") handed down its second annual wage decision at 10.00 am today. The responsibility to determine minimum wages was returned to the industrial tribunal from the Australian Fair Pay Commission last year.

FWA has made the following determinations:

- To increase the federal minimum wage by 3.4% or \$19.40 per week. This results in an increase from \$15.00 per hour (\$569.00 per week ) to \$15.51 per hour (\$589.30 per week); and
- Commensurate 3.4% increases in hourly modern award minimum rates of pay across the board.

The increases awarded will take effect from the first full pay period on or after 1 July 2011.

The increases can be contrasted with last year's decision, in which an increase of \$26 per week in adult award minimum rates of pay was awarded. However, there had been no movement in minimum wages for 21 months prior to 1 July 2010.

The decision represents a compromise between the submissions put by union and employer associations.

The ACTU pushed for a 'hybrid' increase of \$28 per week for the lowest paid workers (award classifications C10 and below, or equivalent rate) and an increase of 4.2% to higher paid workers (award classifications C9 and above, or equivalent rate). By contrast, the AIG and ACCI argued for more moderate increases of \$14 per week and \$9.50 per week respectively. Both AIG and ACCI sought a delay in the implementation date for those employers who had been badly affected by recent natural disasters: AIG, until 1 January 2012 and ACCI, until 1 July 2012. These were sought under the exceptional circumstances provisions in the FWA Act. FWA rejected these submissions.

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