

# Alert

EMPLOYMENT LAW

## National Wage Decision

By Ben Duggan

The Fair Work Commission (FWC) handed down its minimum wage review decision on Tuesday 31 May 2016.

A number of parties, including the locally based employer chambers, lodged submissions with the FWC containing proposals in response to the review that "varied significantly."

The submissions from Government, including the South Australian Government, did not propose a particular level of increase in the national minimum wage or the modern award minimum wage.

The South Australian Government's submission proposed that the FWC should consider "increasing national minimum wages taking into account the current economic context..... (and) the broader context of ensuring that the real value of minimum wages is maintained."

A number of submissions proposed an increase to the national minimum wage and the modern award minimum wage.

The submissions from parties proposing an increase contained various methods as to the manner of the increase ranging from tiered, flat dollar or percentage increases.

The ACTU's submission proposed a "hybrid" increase with a dollar increase of \$30 per week for lower classifications and a percentage increase of 3.9% for classifications above C10.

The Australian Chamber of Commerce and Industry (ACCI) proposed in its submission, which was supported by Business SA, a straight percentage increase for all classifications of no more than 1.2%.

In contrast, the South Australian Wine Industry Association was one of several employer chambers that submitted that it was "not appropriate to award any increase to the national minimum wage or the modern award minimum wage."

The FWC found, based upon the relevant economic evidence, that the general economic climate was "robust, with some continued improvement in productivity and historically low levels of inflation and wages growth" which clearly supported an increase in the minimum wage.

In response to the various proposals as to the method of the increase the FWC found that the increase should be a percentage increase which was the same for all.

The FWC determined that the national minimum wage rate and modern award minimum wage should increase by 2.4% being a similar increase to last year's 2.5%.

In the circumstances, the FWC's review decision will mean that the increase in the minimum wage (and modern award wage rate) to \$672.70 per week (\$17.70 per hour) which will take effect from 1 July 2016 shall apply across the board.



**MORE INFO**

**Ben Duggan** Director

p: +61 8 8124 1881

[ben.duggan@dwfoxtucker.com.au](mailto:ben.duggan@dwfoxtucker.com.au)

**DW Fox Tucker Lawyers**

L14, 100 King William Street, Adelaide, SA 5000

p: +61 8 8124 1811 e: [info@dwfoxtucker.com.au](mailto:info@dwfoxtucker.com.au) [dwfoxtucker.com.au](http://dwfoxtucker.com.au)

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