

INDUSTRIAL REGISTRAR

28 JUL 2017

QUEENSLAND

QUEENSLAND INDUSTRIAL RELATIONS COMMISSION

The Australian Workers' Union of Employees Qld Submission in Reply to the submissions
of the Qld Government and the Local Government Association of Qld.

Industrial Relations Act 2016

s.458 – Application for a General Ruling

(Matter No. B/2017/19)

Queensland Industrial Relations Commission

Industrial Relations Act 2016

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THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES, QUEENSLAND

SUBMISSIONS IN REPLY

1. This submission is in response to the submissions filed by the Queensland Government and the Local Government Association of Queensland.

Queensland Government

2. We note the Queensland Government's submission confirms the economy is growing positively, in a view consistent with that put by the AWU.
3. We note the Queensland Government's submission supports a 3.3% increase. This amount mirrors the quantum awarded by the FWC in the 2017 annual wage review. This position indicates that the Queensland Government considers the economy sufficiently robust to accommodate a pay increase of this order.

Local Government Association of Queensland

4. The submissions of the LGAQ contend that the Queensland economy is one of the weakest economies in Australia. The AWU submits that the most current economic data available¹ indicates that the Queensland economy is growing at a pace that has outpaced the predictions. The recent Deloitte Access Economics Report on the Australian economy predicts that Queensland's economy will grow 3.1 per cent in

¹ Deloitte Access Economics Report, July 2017.

2017-18, faster than the Australian average of 2.7 per cent. In our submission in chief, we submitted that the Queensland economy was growing and on that basis would be able to afford an increase of the amount sought. Any doubts that the Queensland economy was capable of supporting the increases sought have dissipated with this latest economic assessment.

5. We note that the LGAQ's position is to support an increase, and the quantum of such an increase is 2.1%. This amount is lower than that sought in the AWU claim and the quantum supported in the Queensland Government's submission. It is also significantly lower than the 3.3% increase awarded by the Fair Work Commission in the 2017 annual wage review.

6. To support this claim of a lower quantum, the LGAQ indicate the Queensland economy is not in a position to accommodate any higher increase. They provide economic data to support this view. The Deloitte Access Economics Report of July 2017 indicates that the Queensland economy has outgrown predictions and this more recent economic assessment is relevant to the deliberations in this matter. This economic data indicates that the Queensland economy has grown primarily in tourism, road construction and liquid natural gas exports. The growth in tourism (5.8% domestic growth and 6.8% international growth) has injected \$15.3 billion into the State economy.² This growth in the Queensland economy was not unexpected but has occurred at higher rate and perhaps even in a shorter period of time. Based on this improvement in the Queensland economy and the predicted economic outlook there is capacity for the economy to accommodate a higher increase than proposed by the LGAQ.

7. In our submission and indeed in the submissions of the QCU, we indicated that the payment of a 5.9% increase was viable based upon the predicted improvement in the Queensland economy. Now that this growth has materialised we content that there is no impediment to the Commission granting the claim.

² Economy tracker: Queensland and Australia, Queensland Parliamentary Library and Research Service, 26 June 2017.

