

INDUSTRIAL REGISTRAR  
24 JUL 2020  
QUEENSLAND

QUEENSLAND INDUSTRIAL RELATIONS COMMISSION

*Industrial Relations Act 2016 – s 458*

Queensland Council of Unions

Together Queensland, Industrial Union of Employees

The Australian Workers' Union of Employees, Queensland  
*Applicants*

v

State of Queensland  
*Respondent*

*Matter No. B/2020/40, B2020/41, and B/2020/43*

**APPLICATION FOR A DECLARATION OF GENERAL RULING**

**STATE WAGE CASE**

**SUBMISSIONS OF THE AUSTRALIAN WORKERS' UNION OF EMPLOYEES,  
QUEENSLAND**

1. It is the submission of The Australian Workers' Union of Employees, Queensland ("AWU") that in accordance with the principles of fairness, economic prosperity and social justice, Queensland's award-reliant employees should receive a fair and reasonable pay rise. Furthermore, award wages and allowances should be increased to improve Queensland's award safety net.
2. The AWU respectfully submits that the Queensland Industrial Relations Commission ("QIRC") should award an increase to the Queensland minimum wage, award wages and award allowances that improves the relative earnings of low-paid workers in accordance with the following submission.

3. In summary, the AWU submits that due to the current COVID-19 pandemic, that there should be a moderate increase to the wages, and in turn, support the employees within the Queensland Jurisdiction.
4. The AWU submits that awarding the claim will support future economic growth in the state of Queensland through the provision of higher wages, which will have a positive effect on the Queensland economy.

### **The Claim**

5. The AWU application asks the QIRC to:
  - a) make a general ruling to amend all State awards to increase wages by 1.75 percent;
  - b) make a general ruling to amend all State awards to increase the existing allowances (which relate to work conditions which have not changed) by 1.75 percent;
  - c) increase the Queensland Minimum Wage by 1.75 percent; and
  - d) determine that points (a), (b) and (c) to have an operative date of 1 September 2020.
6. The orders sought above will herein be referred to as “the claim”.
7. This submission will detail why the QIRC should award the claim as sought.

### **General Ruling under the *Industrial Relations Act 2016 (Qld)***

8. Since 1997, the Queensland Minimum Wage, and award wage and allowance increases have taken place by way of general ruling, pursuant to s 458 of the *Industrial Relations Act 2016 (Qld)* (“Act”).
9. Section 458 of the Act states that the QIRC Full Bench may make general rulings about a Queensland minimum wage for all employees, and the Full Bench must ensure a general ruling about a Queensland minimum wage for all employees is made at least once each year.
10. The operative date for such increases has generally been 1 September. The AWU seeks a continuation of this operative date.

### **Legislative Considerations**

11. In assessing an application for this year’s general ruling (“general ruling”), it is submitted that the QIRC must consider s 3 of the Act.
12. Section 3 indicates the main purpose of the Act is to provide a framework for cooperative industrial relations that is fair and balanced and supports the delivery of high quality services, economic prosperity and social justice for Queenslanders.
13. The AWU submits that the claim is consistent with a fair and balanced industrial relations framework.
14. Section 4 of the Act details how the main purpose of the Act is achieved. The following elements of s 4 are of particular relevance to the QIRC in determining a general ruling about the Queensland Minimum Wage and award wages and allowances increases:

- Supporting a productive, competitive and inclusive economy, with strong economic growth, high employment, employment security, improved living standards and low inflation;<sup>1</sup>
- Providing for a fair and equitable framework of employment standards, awards, determinations, orders and agreements;<sup>2</sup>
- Ensuring wages and employment conditions provide fair standards in relation to living standards prevailing in the community;<sup>3</sup> and
- Promoting collective bargaining.<sup>4</sup>

15. In particular, s 4(g) of the Act provides that the main purpose of the Act is achieved by ensuring wages and employment conditions provide fair standards with respect to the immediate economic and living standards of the community.

16. The AWU application seeks to provide low-paid workers with a fair increase in wages.

17. Furthermore, the granting of the claim will further develop Queensland's economy through increased consumption as a result of higher wages, maintain and improve on the safety of minimum employment conditions, and assist in the collective bargaining process.

18. The claim will assist in maintaining real wages so that low-paid award-reliant workers are able to acquire fair and reasonable living standards.

19. The AWU submits that the claim for an increase to award rates and to the Queensland Minimum Wage is fair, reasonable and appropriate considering the current and projected state of the Queensland, and more broadly, the Australian economies.

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<sup>1</sup> *Industrial Relations Act 2016* (Qld) s 4(a).

<sup>2</sup> *Ibid* s 4(d).

<sup>3</sup> *Industrial Relations Act 2016* (Qld) s 4(g).

<sup>4</sup> *Ibid* s 4(h).

20. The AWU submits that there will be no adverse effects to unemployment in Queensland as a result of the QIRC awarding the claim.

### **The Queensland Jurisdiction**

21. It is difficult to accurately estimate the number of employees who will be affected by the application, but these employees can be split into two groups – those who will be directly affected, and those who will be indirectly affected.

22. In previous years, the AWU has estimated that the Queensland jurisdiction consists of approximately:

- a) 250,000 employees employed by the State of Queensland;
- b) 37,000 employees employed by local governments; and
- c) 3,000 to 4,000 employees employed by the 1250 Parents and Citizens' Associations who are covered by the State jurisdiction and are award-reliant.

23. The determinant for whether an employee is directly affected by the general ruling is of course whether the employee's employment is subject to a certified agreement, or whether the employee is solely reliant upon an award.

24. Those employees who are covered by awards will be directly affected by the general ruling as their wages are bound by the wages contained in the award which covers them.

25. Employees and employers who are covered by awards will be immediately affected,

26. The QIRC in 2018<sup>5</sup> referred to the following estimates for the number of employees who would be directly affected by the State Wage Case;

- a) Approximately 3,000 to 4,000 employees of Parents and Citizens' Associations;

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<sup>5</sup> *Declaration of General Ruling* (State Wage Case 2018) [2018] QIRC 113, [38].

- b) 2,000 Auxiliary Firefighters;
- c) 1,000 employees of local governments; and
- d) 15 employees of the Darling Downs Moreton Rabbit Board.

27. The AWU makes no submission as to the whether these numbers remain accurate. There does not appear to be any reason to suggest that these figures have changed dramatically, and as such the AWU estimates that approximately 6,000 employees will be directly affected by the general ruling.

28. While there may be only 6,000 employees directly affected by the general ruling, the QIRC should not discount the flow-on effects for the other 250,000 employees employed by the State of Queensland and 36,000 employees employed by local governments whose employment is subject to a certified agreement.

29. Employees who are not covered by an award most certainly do receive a benefit from an increase to award wages and allowances, but the benefit is not immediate.

30. It is the submission of the AWU that increases to the award safety net may provide better outcomes in bargaining for certified agreements, and as such, every employee in the Queensland jurisdiction will receive some benefit at some point from the QIRC awarding the claim as sought.

31. Furthermore, it is the experience of the AWU that employers are heavily influenced by the decision of each year's State Wage Case, and generally seek to rely upon the decision to determine the quantum of wage increases offered through bargaining.

## Economic Conditions and Outlook

32. It is beyond debate that the Australian and Queensland economies face turbulent times as a result of the current COVID-19 pandemic.

33. The Full Bench of the Fair Work Commission in the Annual Wage Review<sup>6</sup> of July 2020 helpfully noted some of the key changes to the Australian economy, which include:

- a) gross domestic product (GDP) growth is lower, and GDP is expected to fall significantly over 2019–20 before a forecasted strong rebound;
- b) real net national disposable income (RNNDI) increased by 2.4 per cent over the year to the March quarter 2020 compared with 3.7 per cent over the year to the December quarter 2018;
- c) the profit share of total factor income increased by 0.4 percentage points, from 28.6 per cent in the December quarter 2018 to 29.0 per in the March quarter 2020;
- d) labour productivity increased by 1.4 per cent over the year, higher than at the time of the last Review (0.8 per cent);
- e) the unemployment rate is higher, (7.1 per cent compared to 5.1 per cent in trend terms at the time of the last Review). Hours worked reduced by 9.5 per cent between March and April, which was double the decrease in employment (4.7 per cent). The decline in hours worked slowed in May, with hours worked reducing by 0.7 per cent, while employment fell by 1.8 per cent;
- f) headline inflation increased significantly, particularly due to effects from the drought and bushfires, as well as COVID-19. Underlying inflation also increased to a lesser extent (the trimmed mean increased from 1.6 per cent over the year to

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<sup>6</sup> [2020] FWCFB 3501.

the March quarter 2019, to 1.8 per cent over the year to the March quarter 2020);

and

g) wages growth, as measured by the Wage Price Index (WPI), declined slightly.

34. In consideration of the economic outlook outlined, there has been a shift to economic recovery, however there is still uncertainty in the future due to the COVID-19, in particular, that there is currently no vaccine, and thus, the recovery could be reversed should another outbreak occur in Queensland.

### **Rationale**

35. The AWU makes the submission that the decision sought is fair and reasonable in light of the current economic circumstances.

36. Should the employer parties seek lesser amounts, the AWU submits that this could have a detrimental impact upon the pay packets of many Queensland workers who are employed by the Queensland Government and the various councils in Queensland.

37. For there to be an increase of less than 1.75 percent to the minimum award wages would be detrimental to the Queensland economy, by in effect decreasing the spending power of working people.

### **Other Matters**

38. It is the submission of the AWU that the claim sought should be applied to all awards that fall within the Queensland jurisdiction.

39. Section 459(2) of the Act does allow for the exclusion of certain industrial instruments from the operation of a general ruling.



40. The AWU is seeking for the general ruling to be applied to all awards made pursuant to the Act. As such, the AWU is not seeking for any class of employers or employees, or for any industrial instruments to be excluded from the operation of the general ruling.

### **Fair Work Commission Annual Wage Review**

41. The claim seeks the same outcome that was awarded by the Fair Work Commission (“FWC”) in the Annual Wage Review<sup>7</sup> this year.

42. In the decision, the FWC made the point that the 1.75 percent increase would not lead to any adverse inflationary outcome or have any negative impact on employed, but that it would mean an improvement in real wages for employees who are award reliant.<sup>8</sup>

43. These comments are persuasive and should be taken into account by the QIRC.

44. Furthermore, given that Queensland is one of the better placed State economies, it is respectfully submitted that there should be no issue in making the same determination as the FWC.

### **Conclusion**

45. The AWU application seeks a 1.75 percent increase to award wages and allowances, and a 1.75 percent increase to the Queensland Minimum Wage.

46. The AWU is seeking for these increases to be operative by 1 September 2020.

47. The increases sought will provide an increase for low-paid workers who rely on the awards system.

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<sup>7</sup> [2020] FWCFB 3501.

<sup>8</sup> Ibid [82].

48. A decision to award the claim to Queensland's lowest paid, award-reliant employees is wholly justified and reasonable in the circumstances.
49. The increase is sought to ensure an increase in the real value of the Queensland minimum wage so that award-reliant employees do not fall further behind employees who are covered by certified agreements which generally provide for better conditions and higher wages.
50. The decision will have a minimal immediate impact on Queensland's employers, given the limited size and the low degree of award dependency within the jurisdiction.
51. For other employers who are bound by certified agreements, there will be no immediate impact as a result of the claim being awarded, and by the very nature of the collective bargaining process, there is no guarantee that these employers will be required to pay wage increases of the quantum awarded in the general ruling (save for the instance where a certified agreement provides rates of pay equivalent or very close to the award rates of pay).
52. The Queensland economy is able to accommodate the increase sought given its position as one of the better performing State economies in Australia. The claim is economically appropriate, sustainable and affordable and will increase the living standards of low-paid workers.

**The Australian Workers' Union of Employees, Queensland**