

15 AUG 2022

QUEENSLAND INDUSTRIAL RELATIONS COMMISSION



Industrial Relations Act 2016 s 458

Together Queensland, Industrial Union of Employees

Queensland Council of Unions

The Australian Workers' Union of Employees, Queensland
Applicants

and

State of Queensland
Respondent

Matter Nos. B/2022/52, B2022/53, and B/2021/54

**APPLICATION FOR A DECLARATION OF GENERAL RULING - STATE WAGE
CASE**

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

1. The Australian Workers' Union of Employees, Queensland ("AWUEQ") makes these submissions in reply to:
 - a. the submissions of the State of Queensland ("Queensland Government") filed on 3 August 2022; and
 - b. the Local Government Association of Queensland ("LGAQ") filed on 9 August 2022.

Submissions of the State of Queensland

2. We note that the Queensland Government's submission is that:¹

The Queensland Government further submits that any increase to State awards and allowances is a matter for the Commission after it considers all relevant information put before it, including: the different State and Commonwealth contexts for the consideration of annual general wage increases; and the current rates of pay in public sector awards, the history of how those rates have been determined and the requirements of the IR Act with respect to determining award rates of pay, including section 141; the potential for SWC outcomes to impede, disincentivise or protract enterprise bargaining negotiations, particularly in the State public sector; and the state of the Queensland economy and the Queensland Government fiscal position and strategy.

¹ State of Queensland's submission at [94].

3. The AWUEQ respectfully disagrees with aspects of the above submission for the reasons that follow.
4. Firstly, the Applicant understands that the Queensland Government has made no submission as to whether an increase of 4.6% to Award rates of pay and allowances should be made but has instead left the matter for the Queensland Industrial Relations Commission (“the Commission”) to decide².
5. The AWUEQ does not agree with the Queensland Government’s assertion that there is any proper basis to conclude State Wage Case (“SWC”) outcomes to impede, disincentivise or protract enterprise bargaining negotiations. Rather, it is our experience that increasing award wage and allowance rates by 4.6% will take considerable financial pressure off workers and their respective unions to engage in industrial activity to achieve pay rises that meet or are close to the published CPI figures.
6. In the 2019 State Wage Case (SWC), the Queensland Government made similar submissions, referring to the inability of the negotiating parties to the *State Government Entities Certified Agreement 2019* (“CORE”) to reach agreement due to the SWC. However, in the 2019 SWC, the Full Bench of the Commission found:

There is no evidence produced by the State that would make us conclude that the reason the CORE is in arbitration is because of the State Wage Case decision. There may well be a number of reasons, given the potential complexity of the matters the parties are negotiating, as to why the CORE is in arbitration. In the absence of direct, or otherwise cogent evidence, we are not inclined to draw such an inference³.
7. The AWUEQ submits that the Queensland Government has not produced any evidence to support their contention that SWC outcomes impede, disincentivise or protract enterprise bargaining negotiations.
8. In their submissions, the Queensland Government acknowledges that since 2011, the Commission has determined the SWC by applying the same increased awarded in the AWR to minimum wage rates in State awards⁴. The AWUEQ submits that the Queensland Government’s submissions provide no economic rationale or other compelling argument to not follow the decision of the Fair Work Commission’s Annual Wage Review 2021-22 (“AWR”).

Submissions of the LGAQ

9. We note that the LGAQ’s submission is that⁵:

The LGAQ supports:

- a 5.2% increase to the QMW.
- a 3% increase to award wages
- a 3% increase to existing and applicable award allowances in awards which relate to work or conditions which have not changed nor have mechanisms

² State of Queensland submission at [92].

³ *Declaration of General Ruling (State Wage Case 2019)* [2019] QIRC 169, [69].

⁴ State of Queensland submission at [35].

⁵ Local Government Association of Queensland submission at [7].

- in the award for varying the amounts; and
- an operative date of 1 September 2022.

10. In support of their position, the LGAQ submits in broad term that Queensland Councils remain challenged by issues of financial sustainability, with the Queensland Audit Office (“QAO”) Local government 2021 (Report 15: 2021-2022) identifying that 45 councils (60%) were still at high or moderate risk of not being financially sustainable⁶.

11. The AWUEQ respectfully notes that the QAO Report 15 states:

Councils are recovering from the financial 2020-21 financial year, 35 councils (2019-20: 21 councils) generated an operating surplus. As a result, fewer councils are at a moderate or high risk of not being financially sustainable⁷.

12. The LGAQ has not provided specific economic modelling in their submissions to demonstrate how a 4.6% increase to award wages and applicable award allowances will diminish the financial sustainability of Queensland Councils.

13. Further, the LGAQ has also not provided direct evidence demonstrating that a 3% increase to award rates and applicable award allowances will have no or negligible impact on the financial sustainability of Queensland Councils.

14. The AWUEQ acknowledges that First Nations Councils continue to face significant pressures as outlined at [21] of the LGAQ submission. However, the LGAQ has failed to provide direct evidence demonstrating that a 4.6% increase to award wages and applicable allowances would put unreasonable financial pressure on the First Nations Councils.

15. Further, the LGAQ have not quantified the consequent reduction in services or workforce size that they assert would inevitably occur within First Nations Councils in the event of a 4.6% increase to awards and applicable allowances.

Conclusion

16. On the basis of the preceding submissions in reply, the AWUEQ respectfully submits that for the reasons given above, the correct and preferable decision for the Commission to make is to determine that award wages and allowances increase by 4.6 percent increase to award wages and allowances.

**The Australian Workers' Union of Employees, Queensland
15 August 2022**

⁶ Local Government Association of Queensland submission at [2; 17; 30].

⁷ Queensland Audit Office Local government 2021 (Report 15: 2021-2022), page 1.