

**2016 STATE WAGE ORDER PURSUANT TO SECTION 50A OF THE ACT  
WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION**

**PARTIES** ON THE COMMISSION'S OWN MOTION

**CORAM** ACTING SENIOR COMMISSIONER P E SCOTT  
COMMISSIONER S J KENNER  
COMMISSIONER T EMMANUEL  
COMMISSIONER D J MATTHEWS

**DATE** TUESDAY, 14 JUNE 2016

**FILE NO.** APPL 1 OF 2016

**CITATION NO.** 2016 WAIRC 00362

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**Result** 2016 State Wage order issued

**Representation**

Mr B Entrekin and with him, Ms C Purcell on behalf of the Hon Minister for Commerce

Mr P Moss and with him, Ms K Dudgeon on behalf of the Chamber of Commerce and Industry of WA (Inc)

Dr T Dymond and with him, Ms N McCrae and later Mr S Dane on behalf of UnionsWA

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*General Order*

THE COMMISSION IN COURT SESSION in accordance with section 50A(1) of the *Industrial Relations Act 1979* hereby makes the following General Order to be known as the 2016 State Wage order and thereby orders as follows:

1. THAT the 2016 State Wage order takes effect on 1 July 2016.
2. THAT the General Order which issued in matter No. APPL 1 of 2015 ((2015) 95 WAIG 679) is rescinded with effect on and from the commencement of the first pay period on or after 1 July 2016.
3. THAT the Minimum Weekly Rate of Pay applicable under section 12 of the *Minimum Conditions of Employment Act 1993* to an employee who has reached 21 years of age and who is not an apprentice shall be \$692.90 per week on and from the commencement of the first pay period on or after 1 July 2016.

Apprentices

4. THAT the Minimum Weekly Rate of Pay applicable under section 14 of the *Minimum Conditions of Employment Act 1993* to an apprentice whose training contract specifies they are undertaking an apprenticeship (“apprentice”) shall be:
- (a) In relation to that class of apprentice to whom an award or a relevant award applies where an employer-employee agreement is in force, the minimum weekly rate of pay shall be the rate of pay that applies to that class of apprentice under the award where the award applies or the relevant award where an employer-employee agreement is in force.
- (b) In relation to that class of apprentice to whom an award does not apply and to whom there is no relevant award to apply if an employer-employee agreement is in force or is subsequently entered into, the minimum weekly rate of pay shall be the rate of pay determined by reference to apprentices’ rates of pay in the *Metal Trades (General) Award* which operate on and from the commencement of the first pay period on or after 1 July 2016:

	1 July 2016
<i>Four Year Term</i>	
First year	\$332.60
Second year	\$435.50
Third year	\$593.90
Fourth year	\$696.90
<i>Three and a Half Year Term</i>	
First six months	\$332.60
Next year	\$435.50
Next year	\$593.90
Final year	\$696.90
<i>Three Year Term</i>	
First year	\$435.50
Second year	\$593.90
Third year	\$696.90

5. THAT the Minimum Weekly Rate of Pay applicable under section 14 of the *Minimum Conditions of Employment Act 1993* to an apprentice who has reached 21 years of age shall be \$593.90 per week on and from the commencement of the first pay period on or after 1 July 2016.

## Trainees

6. THAT the Minimum Weekly Rate of Pay applicable under section 14 of the *Minimum Conditions of Employment Act 1993* to an apprentice whose training contract specifies they are undertaking a traineeship (“trainee”) shall be:
- (a) In relation to that class of trainee to whom an award applies or a relevant award applies where an employer-employee agreement is in force, the minimum weekly rate of pay shall be the rate of pay that applies to that class of trainee under the award where an award applies or the relevant award where an employer-employee agreement is in force.
- (b) THAT the following passage:
- “Except that where pay rates in the National Training Wage Award apply, a trainee shall not be paid less than the rates in paragraph 6(c) of the State Wage Order that apply to a trainee to whom an award does not apply”*
- be inserted into the following awards.
- (i) Aboriginal Communities and Organisations Western Australian Interim Award 2011 – **Clause 10.7**;
- (ii) Animal Welfare Industry Award – **Clause 22**;
- (iii) Children’s Services (Private) Award 2006 – **Clause 28**;
- (iv) Club Workers’ Award – **Clause 44**;
- (v) Dry Cleaning and Laundry Award 1979 – **Clause 36**;
- (vi) Hotel and Tavern Workers’ Award – **Clause 44**;
- (vii) Laundry Workers' Award, 1981 – **Clause 34**;
- (viii) Motel, Hostel, Service Flats and Boarding House Workers' Award – **Clause 44**;
- (ix) Pest Control Industry Award – **Clause 20**;
- (x) Restaurant, Tearoom and Catering Workers' Award – **Clause 43**; and
- (xi) Shearing Contractors' Award of Western Australia 2003 – **Clause 4.6**.
- (c) In relation to that class of trainee to whom an award does not apply and to whom there is no relevant award to apply if an employer-employee agreement is in force or is subsequently entered into, the minimum weekly rate of pay at the relevant Industry/Skill level as determined by reference to Attachment A hereunder, shall be the rate of pay based on the *Metal Trades (General) Award* contained in Table 1 as follows:

Table 1

The following rates of pay apply on and from the commencement of the first pay period on or after 1 July 2016:

<b>Industry/Skill Level A</b>			
<b>School Leaver</b>	<b>Year 10</b> <b>\$</b>	<b>Year 11</b> <b>\$</b>	<b>Year 12</b> <b>\$</b>
	239.00	284.00	351.00
Plus 1 year out of school	284.00	351.00	405.00
Plus 2 years	351.00	405.00	474.00
Plus 3 years	405.00	474.00	542.00
Plus 4 years	474.00	542.00	
Plus 5 years or more	542.00		
<b>Industry/Skill Level B</b>			
<b>School Leaver</b>	<b>Year 10</b> <b>\$</b>	<b>Year 11</b> <b>\$</b>	<b>Year 12</b> <b>\$</b>
	239.00	284.00	342.00
Plus 1 year out of school	284.00	342.00	390.00
Plus 2 years	342.00	390.00	459.00
Plus 3 years	390.00	459.00	524.00
Plus 4 years	459.00	524.00	
Plus 5 years or more	524.00		
<b>Industry/Skill Level C</b>			
<b>School Leaver</b>	<b>Year 10</b> <b>\$</b>	<b>Year 11</b> <b>\$</b>	<b>Year 12</b> <b>\$</b>
	239.00	284.00	338.00
Plus 1 year out of school	284.00	338.00	380.00
Plus 2 years	338.00	380.00	426.00
Plus 3 years	380.00	426.00	478.00
Plus 4 years	426.00	478.00	
Plus 5 years or more	478.00		

- (d) For any class of trainees under this subclause undertaking a traineeship that is not provided for in Attachment A, the minimum weekly rate of pay shall be the rate of pay in Industry/Skill Level C.

Australian Qualification Framework (AQF)

- (e) For a trainee in this class undertaking an AQF4 traineeship the minimum weekly rate of pay shall be the weekly wage rate for an AQF3 trainee at Industry/Skill Levels A, B or C as applicable with the addition of 3.8% of that wage rate.

Part-time and School-Based Trainees

- (f) This provision shall apply to trainees who undertake a traineeship on a part-time basis, or as a school-based trainee, by working less than full-time hours and by undertaking the approved training at the same or lesser training time than a full-time trainee.
- (i) School-based trainees will receive the following minimum hourly rates of pay, as for school leavers:

Wage levels	Current year of schooling	
	Year 11	Year 12
A	\$7.47	\$9.24
B	\$7.47	\$9.00
C	\$7.47	\$8.89

- (ii) The minimum hourly rate of pay for part-time trainees shall be calculated by taking the full-time rates expressed in Clause 6(c) Table 1 and dividing that rate by 38 in accordance with section 10 of the *Minimum Conditions of Employment Act 1993* (WA).
- (iii) As per the requirement under 60E(1)(iv) of the *Vocational Education and Training Act 1996* (WA), any time spent by a trainee in performing his or her obligations under the training contract and in being trained and assessed under the contract, whether at the employer's workplace or not, is to be taken for all purposes (including the payment of remuneration) to be time spent working for the employer.
- (g) In relation to that class of trainee to whom an award applies or a relevant award applies where an employer-employee agreement is in force and who has reached 21 years of age, the minimum weekly rate of pay is the rate of pay that applies to that class of trainee determined by reference to the highest weekly wage rate for the skill level relevant to the traineeship under the award or under the relevant award where an employer-employee agreement is in force.
- (h) In relation to that class of trainee to whom an award does not apply and to whom there is no relevant award to apply if an employer-employee agreement is in force or is entered into and who has reached 21 years of age, the minimum weekly rate of pay shall be that determined by reference to the highest weekly wage rate for the skill level relevant to the traineeship set out below:

On and from the commencement of the first pay period on or after 1 July 2016:

Industry/Skill Level A	\$542.00 per week
Industry/Skill Level B	\$524.00 per week
Industry/Skill Level C	\$478.00 per week

7. THAT

- (a) The rates of pay applicable to trainees under the following awards be adjusted in accordance with the formula outlined in sub-clause (b).
- (i) AWU National Training Wage (Agriculture) Award 1994;
  - (ii) Food Industry (Food Manufacturing or Processing) Award;
  - (iii) Furniture Trades Industry Award;
  - (iv) Licensed Establishments (Retail and Wholesale) Award 1979;
  - (v) Metal Trades (General) Award;
  - (vi) Motor Vehicle (Service Station, Sales Establishments, Rust Prevention and Paint Protection) Industry Award No. 29 of 1980;
  - (vii) Printing Award;
  - (viii) Sheet Metal Workers' Award No. 10 of 1973;
  - (ix) The Shop and Warehouse (Wholesale and Retail Establishments) State Award 1977;
  - (x) Soft Furnishings Award; and
  - (xi) Vehicle Builders' Award 1971.
- (b) Trainee rates be adjusted as follows:
- (i) Industry/Skill Level A, B and C top rates are increased by 80% of the arbitrated safety net adjustment. Each result is then rounded to the nearest dollar.
  - (ii) All other Industry/Skill Level A, B and C rates are increased by a percentage of the unrounded result of the first step. Each result is then rounded to the nearest dollar.
  - (iii) However, if an existing rate in Industry/Skill Level B or C is the same as an existing rate in Industry/Skill Level A or B, the former is adjusted in line with the latter rate in order to maintain consistency.

Award Rates of Pay

8. THAT weekly rates of pay for adults in each award of the Commission, other than those set out in Schedule 1, be increased by \$13.00 on and from the commencement of the first pay period on or after 1 July 2016 and that this increase shall be subject to absorption in the same terms as previous State Wage decisions.
9. THAT any increase to wages resulting from this State Wage order on and from the commencement of the first pay period on or after 1 July 2016, unless provided for elsewhere, shall be calculated on the basis that:
  - (a) Where the award prescribes an adult fortnightly rate of pay, the fortnightly rate of pay is increased by \$26.00 per fortnight.
  - (b) Where the award prescribes an adult annual rate of pay, the annual rate of pay is increased by \$678.00 per annum.
  - (c) Where the award prescribes an adult hourly rate of pay, the hourly rate of pay is increased by the amount of \$13.00 per week divided by the number of ordinary hours of work prescribed by the relevant award for a full-time employee. Where applicable, casual loadings are to be calculated based on the hourly rate.
10. THAT where an award rate other than an adult rate is determined by reference to a percentage of the adult rate or some other formula, those award rates shall be varied on the basis of that percentage or formula to take into account the application of this State Wage order increase of \$13.00 per week to the adult award wage on and from the commencement of the first pay period on or after 1 July 2016.
11. THAT increases under previous State Wage Case decisions prior to 1 July 2016, except those resulting from enterprise agreements, are not to be used to offset this State Wage order increase of \$13.00 per week.
12. THAT on and from 1 July 2016 all awards which contain a Minimum Adult Award Wage Clause or provision be varied by:
  - (a) Deleting the words “\$679.90 per week payable on and from the first pay period on or after 1 July 2015” and inserting in lieu the words “\$692.90 per week payable on and from the commencement of the first pay period on or after 1 July 2016”.
  - (b) Deleting the words “\$584.20 per week on and from the commencement of the first pay period on or after 1 July 2015” in the Adult Apprentices section and inserting in lieu the words “\$593.90 per week on and from the commencement of the first pay period on or after 1 July 2016”.
  - (c) Deleting the date “1 July 2015” wherever it appears and inserting in lieu the date “1 July 2016”.

- (d) Deleting the words “2015 State Wage order decision” wherever they appear and inserting in lieu the words “2016 State Wage order decision”.

Statement of Principles

12. THAT the Statement of Principles – July 2015 under the General Order in matter No. Appl 1 of 2015 be replaced by the Statement of Principles – July 2016 in Schedule 2.

Publication

13. THAT the Registrar publish in the Western Australian Industrial Gazette and on the Commission's website the clauses of the awards varied by Clauses 8 - 10 of this State Wage order incorporating the amendments made.

COMMISSION IN COURT SESSION



## INDUSTRY / SKILL LIST

<b>SKILL LEVEL A</b>		
<b>CODE*</b>	<b>TRAINING PACKAGE TITLE</b>	<b>AQF CERTIFICATE LEVEL</b>
AVI	Aviation	II, III
BSB	Business Services	II, III, IV, Diploma
CHC	Community Services	II, III, IV, Diploma
CPC	Construction, Plumbing and Services	II, III, IV, Diploma
CSC	Correctional Services	II, III, IV
CUL	Library, Information and Cultural Services	II, III, IV
FDF	Food Processing	III, IV
FNS	Financial Services	II, III, IV
FPP	Pulp and Paper Manufacturing Industry	III
ICT	Information and Communications Technology	II, III, IV
ICT10	Integrated Telecommunications	II, III, IV
LGA	Local Government (other than Operational Works Certificate II)	II, III, IV
LMT	Textiles, Clothing and Footwear	III, IV
MAR	Maritime	II, III
MEA	Aeroskills	II, Diploma
MEM	Metal and Engineering (Technical)	II, III, IV, Diploma, Advanced Diploma
MSA	Manufacturing	II, III, IV, Diploma, Advanced Diploma
MSL	Laboratory Operations	II, III, IV, Diploma, Advanced Diploma
MSS	Sustainability	III, IV, Diploma
NWP	National Water	III, IV
PMA	Chemical, Hydrocarbons and Refining	II, III, IV, Diploma
PMB	Plastics, Rubber and Cablemaking	III, IV
PMC	Manufactured Mineral Products	III, IV
PSP	Public Sector	II, III, IV, Diploma, Advanced Diploma

\*The training package code is the first three letters of the traineeship qualification (the National Qualification Code) as recorded in the Apprenticeship/Traineeship Training Contract, for example **SHB30115** Certificate III in Beauty Services

<b>SKILL LEVEL A</b>		
<b>CODE*</b>	<b>TRAINING PACKAGE TITLE</b>	<b>AQF CERTIFICATE LEVEL</b>
PUA	Public Safety	III, Diploma
RII	Resources and Infrastructure Industry	II, III, IV, Diploma, Advanced Diploma
SFL	Floristry	III, IV
SHB	Hairdressing and Beauty Services	III, IV
SIB	Beauty	III, IV
SIR	Retail Services (including wholesale and Community Pharmacy)	III, IV
SIT	Tourism, Travel and Hospitality	II, III, IV, Diploma
TLI	Transport and Logistics	III, IV, Diploma
UEE	Electrotechnology	II, III, IV, Diploma, Advanced Diploma
UEG	Gas Industry	III, IV, Diploma, Advanced Diploma
UEP	Electricity Supply Industry—Generation Sector	II, III, IV, Diploma
UET	Transmission, Distribution and Rail Sector	II, III, IV, Diploma, Advanced Diploma

\*The training package code is the first three letters of the traineeship qualification (the National Qualification Code) as recorded in the Apprenticeship/Traineeship Training Contract, for example **SHB**30115 Certificate III in Beauty Services

## INDUSTRY / SKILL LIST

<b>SKILL LEVEL B</b>		
<b>CODE*</b>	<b>TRAINING PACKAGE</b>	<b>AQF CERTIFICATE LEVEL</b>
ACM	Animal Care and Management	II, III, IV
AUM	Automotive Manufacturing	II, III
AUR	Automotive Industry Retail, Service and Repair	II, III, IV, Diploma
CPP	Property Services	II, III, IV, Diploma
CUA	Creative Arts and Culture	II, III
CUF	Screen and Media	II, III, IV
CUV	Visual Arts, Craft and Design	II, III
FDF	Food Processing Industry	II
FPI	Forest and Forest Products	II, III, IV, Diploma
FPP	Pulp and Paper Manufacturing Industry	II
HLT	Health	II, III, IV, Diploma
ICP	Printing and Graphic Arts	II, III
LGA	Local Government (Operational Works)	II
LMT	Textiles, Clothing and Footwear	II
MEM	Metal and Engineering (Production)	II, III, IV, Diploma, Advanced Diploma
MSF	Furnishing	II, III, IV
MTM	Australian Meat Industry	II, III, IV, Diploma
NWP	National Water	II
PMB	Plastics, Rubber and Cablemaking	II
PMC	Manufactured Mineral Products	II
PUA	Public Safety	II
RII	Resources and Infrastructure	I
SFL	Floristry	II
SIB	Beauty	II
SIH	Hairdressing	II
SIR	Retail Services	II
SIS	Sport, Fitness and Recreation	II, III, IV

\*The training package code is the first three letters of the traineeship qualification (the National Qualification Code) as recorded in the Apprenticeship/Traineeship Training Contract, for example **SHB30115** Certificate III in Beauty Services

<b>SKILL LEVEL B</b>		
<b>CODE*</b>	<b>TRAINING PACKAGE</b>	<b>AQF CERTIFICATE LEVEL</b>
SUG	Sugar Milling	II, III
TLI	Transport and Logistics	II
UEG	Gas Industry	II

\*The training package code is the first three letters of the traineeship qualification (the National Qualification Code) as recorded in the Apprenticeship/Traineeship Training Contract, for example **SHB30115** Certificate III in Beauty Services

## INDUSTRY / SKILL LIST

<b>SKILL LEVEL C</b>		
<b>CODE*</b>	<b>TRAINING PACKAGE</b>	<b>AQF CERTIFICATE LEVEL</b>
AHC	Agriculture, Horticulture and Conservation and Land Management	II, III, IV
CUS	Music	II, III, IV
RGR	Racing	II, III, IV
SFI	Seafood Industry	II, III, IV
SIF	Funeral Services	III, IV

\*The training package code is the first three letters of the traineeship qualification (the National Qualification Code) as recorded in the Apprenticeship/Traineeship Training Contract, for example **SHB30115** Certificate III in Beauty Services

Schedule 1

LIST OF AWARDS NOT SUBJECT TO THIS GENERAL ORDER

**Awards that do not contain wages and are therefore excluded:**

Alcoa Long Service Leave Conditions Award, 1980  
Catering Employees' (North West Shelf Project) Long Service Leave Conditions Award  
1991  
Catering Workers' (North Rankin A) Long Service Leave Conditions Award No. A 40 of  
1987  
The Contract Cleaning (F.M.W.U.) Superannuation Award 1988  
Health Care Industry (Private) Superannuation Award 1987  
Miscellaneous Government Conditions and Allowances Award No A 4 of 1992  
Miscellaneous Workers' (Security Industry) Superannuation Award, 1987  
Ngala Superannuation Award, 1989  
Printing Industry Superannuation Award 1991  
Public Service Allowances (Fisheries and Wildlife Officers) Award 1990  
Supported Employees Industry Award  
The Swan Brewery Company Limited (Superannuation) Award 1987  
West Australian Petroleum Pty Ltd Long Service Leave Conditions Award 1991  
Woodside Offshore Petroleum Pty. Ltd. Long Service Leave Conditions Award, 1984  
Worsley Alumina Pty. Ltd. Long Service Leave Conditions Award, 1984

**Awards that have certain parts quarantined:**

Clerks (Racing Industry - Betting) Award 1978 – **Schedule C**  
The Iron Ore Production & Processing (Locomotive Drivers) Award 2006 – **Clause 2.1**  
Iron Ore Production & Processing (Locomotive Drivers Rio Tinto Railway) Award 2006 –  
**Clause 6**  
Shearing Contractors' Award of Western Australia 2003 – **Clause 4.2**

**Awards containing transitional provisions to which the General Order does not apply:**

Clothing Trades Award 1973 – **Clause 18**  
Department for Community Development (Family Resource Workers, Welfare Assistants  
and Parent Helpers) Award 1990 – **Schedule F**  
Education Department Ministerial Officers Salaries Allowances and Conditions Award  
1983 No. 5 of 1983 – **Schedule I**  
Egg Processing Award 1978 – **Appendix 4**  
Electorate Officers Award 1986 – **Schedule G**  
Family Day Care Co-Ordinators' and Assistants' Award, 1985 - **Schedule C**  
Government Officers (Social Trainers) Award 1988 – **Schedule K**  
Government Officers (Insurance Commission of Western Australia) Award, 1987 –

**Schedule D**

Government Officers Salaries, Allowances and Conditions Award 1989 - **Schedule P**

Juvenile Custodial Officers' Award – **Schedule G**

Public Service Award 1992 – **Schedule M**

## Schedule 2

### **STATEMENT OF PRINCIPLES – July 2016**

#### **1. Application of the Statement of Principles**

- 1.1 This Statement of Principles is to be applied and followed when the Commission is making or varying an award or making an order in relation to the exercise of the jurisdiction under the Act to set the wages, salaries, allowances or other remuneration of employees or the prices to be paid in respect of their employment.
- 1.2 In these Principles, wages, salaries, allowances or other remuneration of employees or the prices to be paid in respect of employment will be referred to as “wages”.
- 1.3 In making a decision in respect of any application brought under these Principles the primary consideration in all cases will be the merits of the application in accordance with equity, good conscience and the substantial merits of the case pursuant to section 26(1)(a) of the Act.
- 1.4 These Principles do not have application to Enterprise Orders made under section 42I of the Act or to applications made under section 40A of the Act to incorporate industrial agreement provisions into an award by consent.

#### **2. (deleted)**

#### **3. When an Award may be varied or another Award made without the claim being regarded as above or below Minimum Award Conditions**

- 3.1 In the following circumstances wages in an award, may on application, be varied or another award made without the application being regarded as a claim for wages above or below the minimum award conditions:
  - 3.1.1 To include previous State Wage Case increases in accordance with Principle 4.
  - 3.1.2 To incorporate test case standards in accordance with Principle 5.
  - 3.1.3 To adjust allowances and service increments in accordance with Principle 6.
  - 3.1.4 To adjust wages pursuant to work value changes in accordance with Principle 7.
  - 3.1.5 To adjust wages for total minimum adjustments in accordance with Principle 8.
  - 3.1.6 To vary an award to include the minimum wage in accordance with Principle 9.

#### **4. Previous State Wage Case Increases**

- 4.1 Wage increases available under previous State Wage Case Decisions such as structural efficiency adjustments, and previous arbitrated safety net adjustments will, on application, still be accessible.
- 4.2 Minimum rates adjustments may also be progressed under this Principle.



## **5. Test Case Standards**

- 5.1 Test Case Standards in respect of wages established and/or revised by the Commission may be incorporated in an award. Where disagreement exists as to whether a claim involves a test case standard, those asserting that it does, must make an application and justify its referral. The Chief Commissioner will decide whether the claim should be dealt with by a Commission in Court Session.

## **6. Adjustment of Allowances and Service Increments**

- 6.1 Existing allowances which constitute a reimbursement of expenses incurred may be adjusted from time to time where appropriate to reflect the relevant change in the level of such expenses.
- 6.2 Adjustment of existing allowances which relate to work or conditions which have not changed and of service increments will be determined in each case in accordance with State Wage Case Decisions.
- 6.3 Allowances which relate to work or conditions which have not changed and service increments may be adjusted as a result of the State Wage order in Principle 8.
- 6.4 In circumstances where the Commission has determined that it is appropriate to adjust existing allowances relating to work or conditions which have not changed and service increments for a monetary safety net increase, the method of adjustment shall be that such allowances and service increments should be increased by a percentage derived as follows: divide the monetary safety net increase by the rate of pay for the key classification in the relevant award immediately prior to the application of the safety net increase to the award rate and multiply by 100.
- 6.5 Existing allowances for which an increase is claimed because of changes in the work or conditions will be determined in accordance with the relevant provisions of Principle 7.
- 6.6 New allowances to compensate for the reimbursement of expenses incurred may be awarded where appropriate having regard to such expenses.
- 6.7 Where changes in the work have occurred or new work and conditions have arisen, the question of a new allowance, if any, shall be determined in accordance with the relevant Principles of this Statement of Principles. The relevant Principles in this context may be Principle 7 and Principle 11.
- 6.8 New service increments may only be awarded to compensate for changes in the work and/or conditions and will be determined in accordance with the relevant parts of Principle 7 of this Statement of Principles.

## **7. Work Value Changes**

- 7.1 Applications may be made for a wage increase under this Principle based on changes in work value.
- 7.2 Changes in work value may arise from changes in the nature of the work, skill and responsibility required or the conditions under which work is performed. Changes in work by themselves may not lead to a change in wage rates. The strict test for an alteration in wage rates is that the change in the nature of the work should constitute such a significant

net addition to work requirements as to warrant the creation of a new classification or upgrading to a higher classification.

- 7.3 In addition to meeting this test a party making a work value application will need to justify any change to wage relativities that might result not only within the relevant internal award classifications structure but also against external classifications to which that structure is related. There must be no likelihood of wage “leapfrogging” arising out of changes in relative position.
- 7.4 These are the only circumstances in which rates may be altered on the ground of work value and the altered rates may be applied only to employees whose work has changed in accordance with this provision.
- 7.5 In applying the Work Value Changes Principle, the Commission will have regard to the need for any alterations to wage relativities between awards to be based on skill, responsibility and the conditions under which work is performed.
- 7.6 Where new or changed work justifying a higher rate is performed only from time to time by persons covered by a particular classification or where it is performed only by some of the persons covered by the classification, such new or changed work should be compensated by a special allowance which is payable only when the new or changed work is performed by a particular employee and not by increasing the rate for the classification as a whole.
- 7.7 The time from which work value changes in an award should be measured is any date that on the evidence before the Commission is relevant and appropriate in the circumstances.
- 7.8 Care should be exercised to ensure that changes which were or should have been taken into account in any previous work value adjustments or in a structural efficiency exercise are not included in any work evaluation under this provision.
- 7.9 Where the tests specified in 7.2 and 7.3 are met, an assessment will have to be made as to how that alteration should be measured in money terms. Such assessment should normally be based on the previous work and the nature and extent of the change in work.
- 7.10 The expression “the conditions under which the work is performed” relates to the environment in which the work is done.
- 7.11 The Commission should guard against contrived classifications and over-classification of jobs.
- 7.12 Any changes in the nature of the work, skill and responsibility required or the conditions under which the work is performed, taken into account in assessing an increase under any other provision of these Principles, shall not be taken into account in any claim under this provision.

## **8. Total Minimum Rate Adjustments**

- 8.1 Where the minimum rates adjustment process in an award has been completed, the Commission may consider an application for the base rate, supplementary payment and State Wage order adjustments to be combined so that the award specifies only the total minimum rate for each classification.

8.2 By consent of all parties to an award, where the minimum rates adjustment has been completed, award rates may be expressed as hourly rates or weekly rates. In the absence of consent, a claim that award rates be so expressed may be determined by arbitration.

8.3 The State Wage order arising from this decision is \$13.00 per week.

## **9. Minimum Adult Award Wage**

9.1 A minimum adult award wage clause will be required to be inserted in all new awards.

9.2 The minimum adult wage clause will be as follows –

### **MINIMUM ADULT AWARD WAGE**

No employee aged 21 or more shall be paid less than the minimum adult award wage unless otherwise provided by this clause.

The minimum adult award wage for full-time employees aged 21 or more is \$692.90 per week payable on and from the commencement of the first pay period on or after 1 July 2016.

The minimum adult award wage is deemed to include all State Wage order adjustments from State Wage Case Decisions.

Unless otherwise provided in this clause adults employed as casuals, part-time employees or piece workers or employees who are remunerated wholly on the basis of payment by result shall not be paid less than pro rata the minimum adult award wage according to the hours worked.

Employees under the age of 21 shall be paid no less than the wage determined by applying the percentage prescribed in the junior rates provision in this award to the minimum adult award wage.

The minimum adult award wage shall not apply to apprentices, employees engaged on traineeships or Jobskill placements or employed under the Commonwealth Government Supported Wage System or to other categories of employees who by prescription are paid less than the minimum award rate, provided that no employee shall be paid less than any applicable minimum rate of pay prescribed by the *Minimum Conditions of Employment Act 1993*.

Liberty to apply is reserved in relation to any special category of employees not included here or otherwise in relation to the application of the minimum adult award wage.

Subject to this clause the minimum adult award wage shall –

Apply to all work in ordinary hours.

Apply to the calculation of overtime and all other penalty rates, superannuation, payments during any period of paid leave and for all purposes of this award.

### **Minimum Adult Award Wage**

The rates of pay in this award include the minimum weekly wage for employees aged 21 or more payable under the 2016 State Wage order decision. Any increase arising

from the insertion of the minimum wage will be offset against any equivalent amount in rates of pay received by employees whose wages and conditions of employment are regulated by this award which are above the wage rates prescribed in the award. Such above award payments include wages payable pursuant to enterprise agreements, consent awards or award variations to give effect to enterprise agreements and over award arrangements. Absorption which is contrary to the terms of an agreement is not required.

Increases under previous State Wage Case Principles or under the current Statement of Principles, excepting those resulting from enterprise agreements, are not to be used to offset the minimum wage.

#### Adult Apprentices

Notwithstanding the provisions of this clause, an apprentice, 21 years of age or more, shall not be paid less than \$593.90 per week on and from the commencement of the first pay period on or after 1 July 2016.

The rate paid in the paragraph above to an apprentice 21 years of age or more is payable on superannuation and during any period of paid leave prescribed by this award.

Where in this award an additional rate is expressed as a percentage, fraction or multiple of the ordinary rate of pay, it shall be calculated upon the rate prescribed in this award for the actual year of apprenticeship.

Nothing in this clause shall operate to reduce the rate of pay fixed by the award for an adult apprentice in force immediately prior to 5 June 2003.

### **10. Making or Varying an Award or issuing an Order which has the effect of varying wages or conditions above or below the award minimum conditions**

- 10.1 An application or reference for a variation in wages which is not made by an applicant under any other Principle and which is a matter or concerns a matter to vary wages above or below the award minimum conditions may be made under this Principle. This may include but is not limited to matters such as equal remuneration for men and women for work of equal or comparable value.
- 10.2 Claims may be brought under this Principle irrespective of whether a claim could have been brought under any other Principle.
- 10.3 All claims made under this Principle will be referred to the Chief Commissioner for him to determine whether the matter should be dealt with by a Commission in Court Session or by a single Commissioner.

### **11. New Awards (including interim Awards) and Extensions to an Existing Award**

- 11.1 The following shall apply to the making of wages in a new award (including an interim award) and an extension to an existing award:
  - 11.1.1 In the making of wages in an interim award the Commission shall apply the matters set out in section 36A of the Act.

11.1.2 A new award (including an interim award) shall have a clause providing for the minimum award wage [see Principle 9] included in its terms.

11.1.3 In the extension of wages in an existing award to new work or to award-free work the wages applicable to such work shall ensure that any award or order made:

- (1) meets the need to facilitate the efficient organisation and performance of work according to the needs of an industry and or enterprises within it, balanced with fairness to the employees in the industry or enterprises; and
- (2) sets fair wages.

## **12. Economic Incapacity**

12.1 Any respondent or group of respondents to an award may apply to reduce and/or postpone the variation which results in an increase in labour costs under this Statement of Principles on the ground of very serious or extreme economic adversity. The merit of such application shall be determined in the light of the particular circumstances of each case and any material relating thereto shall be rigorously tested. The impact on employment at the enterprise level of the increase in labour costs is a significant factor to be taken into account in assessing the merit of an application. It will then be a matter for the Chief Commissioner to decide whether it should be dealt with by a Commission in Court Session.

## **13. Duration**

13.1 This Statement of Principles will operate until reviewed under s 50A(1)(d) of the Act.

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