

**2018 STATE WAGE ORDER PURSUANT TO SECTION 50A OF THE ACT
WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION**

PARTIES ON THE COMMISSION'S OWN MOTION

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

DATE FRIDAY, 15 JUNE 2018

FILE NO. APPL 1 OF 2018

CITATION NO. 2018 WAIRC 00368

Result 2018 State Wage order issued

Representation

Mr B Entrekin on behalf of the Hon Minister for Commerce and Industrial Relations

Mr K Black on behalf of the Chamber of Commerce and Industry of WA (Inc)

Dr T Dymond on behalf of UnionsWA

Mr C Twomey on behalf of the Western Australian Council of Social Service Inc

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 2018 State Wage order and thereby orders as follows:

1. THAT the 2018 State Wage order takes effect on 1 July 2018.
2. THAT the General Order which issued in matter No. APPL 1 of 2017 ([2017] WAIRC 00355; (2017) 97 WAIG 714) is to be of no force and effect on and from the commencement of the first pay period on or after 1 July 2018.
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 \$726.90 per week on and from the commencement of the first pay period on or after 1 July 2018.

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 2018:

| | 1 July 2018 |
|-----------------------------------|-------------|
| <i>Four Year Term</i> | |
| First year | \$347.80 |
| Second year | \$455.50 |
| Third year | \$621.10 |
| Fourth year | \$728.70 |
| <i>Three and a Half Year Term</i> | |
| First six months | \$347.80 |
| Next year | \$455.50 |
| Next year | \$621.10 |
| Final year | \$728.70 |
| <i>Three Year Term</i> | |
| First year | \$455.50 |
| Second year | \$621.10 |
| Third year | \$728.70 |

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 \$621.10 per week on and from the commencement of the first pay period on or after 1 July 2018.

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) 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 2018:

| Industry/Skill Level A | | | |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| School Leaver | Year 10 \$ | Year 11 \$ | Year 12 \$ |
| | 251.00 | 299.00 | 368.00 |
| Plus 1 year out of school | 299.00 | 368.00 | 426.00 |
| Plus 2 years | 368.00 | 426.00 | 498.00 |
| Plus 3 years | 426.00 | 498.00 | 569.00 |
| Plus 4 years | 498.00 | 569.00 | |
| Plus 5 years or more | 569.00 | | |
| Industry/Skill Level B | | | |
| School Leaver | Year 10 \$ | Year 11 \$ | Year 12 \$ |
| | 251.00 | 299.00 | 359.00 |
| Plus 1 year out of school | 299.00 | 359.00 | 411.00 |
| Plus 2 years | 359.00 | 411.00 | 483.00 |
| Plus 3 years | 411.00 | 483.00 | 551.00 |
| Plus 4 years | 483.00 | 551.00 | |
| Plus 5 years or more | 551.00 | | |

| Industry/Skill Level C | | | |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| School Leaver | Year 10 \$ | Year 11 \$ | Year 12 \$ |
| | 251.00 | 299.00 | 357.00 |
| Plus 1 year out of school | 299.00 | 357.00 | 401.00 |
| Plus 2 years | 357.00 | 401.00 | 450.00 |
| Plus 3 years | 401.00 | 450.00 | 505.00 |
| Plus 4 years | 450.00 | 505.00 | |
| Plus 5 years or more | 505.00 | | |

- (c) 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)

- (d) 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

- (e) 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 | \$7.87 | \$9.68 |
| B | \$7.87 | \$9.45 |
| C | \$7.87 | \$9.39 |

- (ii) The minimum hourly rate of pay for part-time trainees shall be calculated by taking the full-time rates expressed in Clause 6(b) 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.
- (f) 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.
- (g) 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 2018:

| | |
|------------------------|-------------------|
| Industry/Skill Level A | \$569.00 per week |
| Industry/Skill Level B | \$551.00 per week |
| Industry/Skill Level C | \$505.00 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 \$18.00 on and from the commencement of the first pay period on or after 1 July 2018 and that this increase shall be subject to absorption in the same terms as previous State Wage decisions.
- Where wages are expressed as an hourly, fortnightly, annualised or other amount, that rate shall be increased by a relevant amount having regard to the \$18.00 per week for full time employees pursuant to the relevant award.
9. 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 \$18.00 per week to the adult award wage, whichever is applicable, on and from the commencement of the first pay period on or after 1 July 2018.
10. THAT increases under previous State Wage Case decisions prior to 1 July 2018, except those resulting from enterprise agreements, are not to be used to offset the State Wage order increases herein.

11. THAT on and from 1 July 2018 all awards which contain a Minimum Adult Award Wage Clause or provision be varied by deleting the text of that provision and replacing with the following:

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 working under an award that provides for a 38 hour week is \$726.90 per week.

The minimum adult award wage for full-time employees aged 21 or more working under awards that provide for other than a 38 hour week is calculated as follows: divide \$726.90 by 38 and multiply by the number of ordinary hours prescribed for a full time employee under the award.

The minimum adult award wage is payable on and from the commencement of the first pay period on or after 1 July 2018.

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 aged 21 or more 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 (if applicable) to the minimum adult award wage, provided that no employee shall be paid less than any applicable minimum rate of pay prescribed by the *Minimum Conditions of Employment Act 1993*.

The minimum adult award wage shall not apply to apprentices, employees engaged on traineeships or government approved work placement programs 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 2018 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, the minimum adult apprentice wage for a full-time apprentice aged 21 years or more working under an award that provides for a 38 hour week is \$621.10 per week.

The minimum adult apprentice wage for a full-time apprentice aged 21 years or more working under an award that provides for other than a 38 hour week is calculated as follows: divide \$621.10 by 38 and multiply by the number of ordinary hours prescribed for a full time apprentice under the award.

The minimum adult apprentice wage is payable on and from the commencement of the first pay period on or after 1 July 2018.

Adult apprentices aged 21 years or more employed on a part-time basis shall not be paid less than pro rata the minimum adult apprentice wage according to the hours worked.

The rates paid in the paragraphs above to an apprentice 21 years of age or more are 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.

Statement of Principles

12. THAT the Statement of Principles – July 2017 under the General Order in matter No. Appl 1 of 2017 be replaced by the Statement of Principles – July 2018 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

ATTACHMENT A**INDUSTRY / SKILL LIST (2018)**

| SKILL LEVEL A | | |
|----------------------|--|--|
| CODE* | TRAINING PACKAGE TITLE | AQF CERTIFICATE LEVEL |
| MEA | Aeroskills | II, Diploma |
| AVI | Aviation | II, III |
| BSB | Business Services | II, III, IV, Diploma |
| PMA | Chemical, Hydrocarbons and Refining | 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 |
| UEP | Electricity Supply Industry - Generation Sector | II, III, IV, Diploma |
| UEE | Electrotechnology | II, III, IV, Diploma, Advanced Diploma |
| FNS | Financial Services | II, III, IV |
| SFL | Floristry | III, IV |
| FDF | Food Processing | III, IV |
| UEG | Gas Industry | III, IV, Diploma, Advanced Diploma |
| SHB | Hairdressing and Beauty Services | III, IV |
| ICT | Information and Communications Technology | II, III, IV |
| ICT10 | Integrated Telecommunications | II, III, IV |
| MSL | Laboratory Operations | II, III, IV, Diploma, Advanced Diploma |
| CUL | Library, Information and Cultural Services | II, III, IV |
| LGA | Local Government (other than Operational Works Certificate II) | II, III, IV |
| PMC | Manufactured Mineral Products | III, IV |
| MSA | Manufacturing | II, III, IV, Diploma, Advanced Diploma |
| MSM | Manufacturing | 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 Hairdressing and Beauty Services

| SKILL LEVEL A | | |
|----------------------|--|--|
| CODE* | TRAINING PACKAGE TITLE | AQF CERTIFICATE LEVEL |
| MAR | Maritime | II, III |
| MEM | Metal and Engineering (Technical) | II, III, IV, Diploma, Advanced Diploma |
| NWP | National Water | III, IV |
| PMB | Plastics, Rubber and Cablemaking | III, IV |
| PUA | Public Safety | III, Diploma |
| PSP | Public Sector | II, III, IV, Diploma, Advanced Diploma |
| PPM | Pulp and Paper Manufacturing Industry | III |
| RII | Resources and Infrastructure Industry | II, III, IV, Diploma, Advanced Diploma |
| SIR | Retail Services (including wholesale and Community Pharmacy) | III, IV |
| MSS | Sustainability | III, IV, Diploma |
| MST | Textiles, Clothing and Footwear | III, IV |
| SIT | Tourism, Travel and Hospitality | II, III, IV, Diploma |
| UET | Transmission, Distribution and Rail Sector | II, III, IV, Diploma, Advanced Diploma |
| TLI | Transport and Logistics | III, IV, 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 Hairdressing and Beauty Services

| SKILL LEVEL B | | |
|----------------------|---------------------------------------|--|
| CODE* | TRAINING PACKAGE | AQF CERTIFICATE LEVEL |
| ACM | Animal Care and Management | II, III, IV |
| AMP | Australian Meat Processing | II, III, IV, Diploma |
| AUM | Automotive Manufacturing | II, III |
| AUR | Automotive Retail, Service and Repair | II, III, IV, Diploma |
| CUA | Creative Arts and Culture | II, III, IV |
| SFL | Floristry | II |
| FDF | Food Processing | II |
| FWP | Forest and Wood Products | II, III, IV, Diploma |
| MSF | Furnishing | II, III, IV |
| UEG | Gas Industry | II |
| SHB | Hairdressing and Beauty | II |
| HLT | Health | II, III, IV, Diploma |
| LGA | Local Government (Operational Works) | II |
| PMC | Manufactured Mineral Products | II |
| MEM | Metal and Engineering (Production) | II, III, IV, Diploma, Advanced Diploma |
| NWP | National Water | II |
| PMB | Plastics, Rubber and Cablemaking | II |
| ICP | Printing and Graphic Arts | II, III |
| CPP | Property Services | II, III, IV, Diploma |
| PUA | Public Safety | II |
| PPM | Pulp and Paper Manufacturing Industry | II |
| RII | Resources and Infrastructure Industry | I |
| SIR | Retail Services | II |
| CUF | Screen and Media | II, III, IV |
| SIS | Sport, Fitness and Recreation | II, III, IV |
| SUG | Sugar Milling | II, III |
| MST | Textiles, Clothing and Footwear | II |
| TLI | Transport and Logistics | 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 **SHB**30115 Certificate III in Hairdressing and Beauty Services

| SKILL LEVEL C | | |
|----------------------|--|------------------------------|
| CODE* | TRAINING PACKAGE | AQF CERTIFICATE LEVEL |
| AHC | Agriculture, Horticulture and Conservation and Land Management | II, III, IV |
| SIF | Funeral Services | III, IV |
| CUS | Music | II, III, IV |
| RGR | Racing | II, III, IV |
| SFI | Seafood Industry | 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 **SHB**30115 Certificate III in Hairdressing and 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 2018**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 4.1.
- 3.1.2 To adjust wages for total minimum rates pursuant to Principle 4.2.
- 3.1.3 To incorporate test case standards in accordance with Principle 5.
- 3.1.4 To adjust allowances and service increments in accordance with Principle 6.
- 3.1.5 To adjust wages pursuant to work value changes in accordance with Principle 7.
- 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.
- 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. (deleted).

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 award 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 working under an award that provides for a 38 hour week is \$726.90 per week.

The minimum adult award wage for full-time employees aged 21 or more working under awards that provide for other than a 38 hour week is calculated as follows: divide \$726.90 by 38 and multiply by the number of ordinary hours prescribed for a full time employee under the award.

The minimum adult award wage is payable on and from the commencement of the first pay period on or after 1 July 2018.

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 aged 21 or more 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 (if applicable) to the minimum adult award wage, provided that no employee shall be paid less than any applicable minimum rate of pay prescribed by the *Minimum Conditions of Employment Act 1993*.

The minimum adult award wage shall not apply to apprentices, employees engaged on traineeships or government approved work placement programs 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 2018 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, the minimum adult apprentice wage for a full-time apprentice aged 21 years or more working under an award that provides for a 38 hour week is \$621.10 per week.

The minimum adult apprentice wage for a full-time apprentice aged 21 years or more working under an award that provides for other than a 38 hour week is calculated as follows: divide \$621.10 by 38 and multiply by the number of ordinary hours prescribed for a full time apprentice under the award.

The minimum adult apprentice wage is payable on and from the commencement of the first pay period on or after 1 July 2018.

Adult apprentices aged 21 years or more employed on a part-time basis shall not be paid less than pro rata the minimum adult apprentice wage according to the hours worked.

The rates paid in the paragraphs above to an apprentice 21 years of age or more are 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.

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 her 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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