

Fair Work Commission Questions for Final Consultation – Response of the Minister for Commerce on behalf of the Government of Western Australia

On 5 May 2014 the Fair Work Commission (FWC) issued the *Annual Wage Review 2013–14: Questions for final consultations* document as part of the proceedings for the Annual Wage Review 2013-14. In Question 1.1 FWC asked the Australian Government, Government of Western Australia, New South Wales Government, Queensland Government and Victorian Government “what is the position of these parties on what would constitute a “cautious” or “balanced” approach when considering a dollar or percentage outcome for the Annual Wage Review 2013–14?”

As stated in the formal submission provided to FWC on 28 March 2014, the Western Australian Government supports FWC taking an approach to the 2013-14 Review which accords appropriate significance to the impact of minimum wage and award rate adjustments on employers, particularly at a time when leading indicators of labour demand suggest the State’s employment market will remain subdued in the near-term.

The criteria required to be considered in minimum wage setting, in accordance with section 284(1) of the *Fair Work Act 2009*, cover a range of social and economic issues and together address the interests of employers, employees and the Australian economy. While it is essential that an appropriate safety net of minimum wages is maintained for the low paid, a balanced approach is one in which any adjustment to the minimum and award rates of pay is weighed against the capacity of employers, particularly in small business, to pay for wage increases and sustain and create employment.

On 13 May 2014, the Minister for Commerce, on behalf of the Western Australian Government, made a submission to the Western Australian Industrial Relations Commission State Wage Case 2014 which also supported a balanced approach being taken to minimum and award wage setting.

The Minister submitted to the State Wage Case that it is fair and prudent to adjust minimum and award wage rates of pay to the extent that their real value is maintained and the spending power of employees is preserved while ensuring that wage costs for employers remain sustainable.

The Minister’s submission to the State Wage Case therefore advocated a percentage increase to minimum and award wage rates equivalent to the most recent Western Australian Department of Treasury estimate of growth in the Consumer Price Index (CPI) for Perth for the financial year 2013-14, as published in the 2014-15 Western Australian State Budget, which is 3.0 per cent¹.

¹ Government of Western Australia (2014) 2014-15 Budget Statements

