

From: Thomas Cullen <TCullen@nff.org.au>

Sent: Tuesday, 10 November 2020 11:39 AM

To: AMOD <AMOD@fwc.gov.au>

Subject: NFF enquiry re Pastoral Award allowances adjustment factor (Wage Review Determination)

Good afternoon,

I am contacting with you an enquiry on behalf of the National Farmers' Federation. Our question arises in relation to a recent Wage Review determination affecting allowances under the Pastoral Award 2020.

We have observed that The Vehicle Allowance in the Pastoral Award 2010, at clauses 17.2(b), 46.3(b), and 47.1(a), has been marked to increase from \$0.78 per kilometre to \$0.80 as a result of the Annual Wage Review 2019-20. The Pastoral Award 2010 was a Group 2 award and as such the wage and allowance adjustments resulting from the Annual Wage Review 2019-20 took effect on 1 November 2021. Accordingly, the adjustment factor for the Vehicle Allowances should be the percentage movement between the March 2014 index figure (when the Vehicle Allowance last increased) and the September 2020 index figure (the figure last published before the adjustment took effect). That is: $102.3/103.8 = 0.985549133$.

As the adjustment factor would result in a reduction in the Vehicle allowance ($\$0.78 \times 0.985549133 = \0.768728324), the allowance should remain unchanged. However, it appear that the adjustments factor which the Commission has used is based on the movement between the March 2014 and the March 2020 index figures. That is: $106.6 \times 103.8 = 1.0211946050$. This results in an increase (rounding up) to \$0.80, which is the figure that the Commission has adopted.

It would appear that this anomaly has occurred across all expense-related allowances in the pastoral Award. That is to say, allowances has been adjusted based upon movement between the last change and the March 2020 CPI increase (as in Group 1 Awards) rather than the Sept 2020 increase. It may be that we have miscalculated or overlooked some aspect of the decision that has caused the Pastoral Award to be treated differently to the other Group 2 Awards, in which case we are happy to be corrected.

If we are not mistaken, would you be able to provide an explanation of why allowances in the Pastoral Award appear to have been treated as though it were a Group 1 Award in this determination, with respect to the adjustment factor used?

Please let us know if you require any further information or clarification.

Kind regards

Thomas Cullen

Policy Officer, Workplace Relations and Legal Affairs