

QUEENSLAND INDUSTRIAL RELATIONS COMMISSION

Industrial Relations Act 1999 – s. 287– application for declaration of a general ruling
s. 288 – application for declaration of policy

**The Australian Workers' Union of Employees, Queensland AND
Queensland Chamber of Commerce and Industry Limited, Industrial Organisation of Employers and Others
(No. B724 of 2004)**

AND

**Queensland Council of Unions AND Queensland Chamber of Commerce and Industry Limited,
Industrial Organisation of Employers and Others (No. B744 of 2004)**

STATE WAGE CASE 2004

VICE PRESIDENT LINNANE
DEPUTY PRESIDENT SWAN
COMMISSIONER BLADES

3 August 2004

DECISION

- [1] On 5 May 2004 a Full Bench of the Australian Industrial Relations Commission (AIRC) released its decision in the matter of the *Safety Net Review – Wages May 2004* (AIRC PR002004: Giudice J, Ross VP, Lawler VP, Marsh SDP, Lacy SDP, Larkin C and Grainger C). In that decision the Full Bench of the AIRC awarded:
- a safety net adjustment of \$19.00 per week in award rates;
 - an increase in the federal minimum wage of \$19.00 per week so that the federal minimum wage is now \$467.40 per week; and
 - an increase in allowances that relate to work and service increments.
- [2] On 6 May 2004 The Australian Workers' Union of Employees, Queensland (AWU) filed with the Industrial Registry an application (B724 of 2004) which, after amendment seeks:
- an arbitrated wage adjustment of an amount of \$19.00 per week increase in award rates;
 - the adjustment of allowances which relate to work or conditions which have not changed and service increments by an amount of 3.5% being the arbitrated wage adjustment calculated as a percentage of the C10 rate in the *Engineering Award – State 2002*; and
 - the adjustment of the Queensland Minimum Wage for workers regulated by industrial instruments from \$448.40 per week to an amount of \$467.40 per week for full-time adult employees and for junior, part-time and casual employees, proportionate amounts.
- [3] We assume that the claim for an adjustment of the Queensland Minimum Wage for workers regulated by industrial instruments excludes those regulated by industrial agreements and refer the parties to comments made in the *State Wage Case 2003* Decision to the effect that s. 713(3) of the *Industrial Relations Act 1999* (Act) precludes the Commission from amending an industrial agreement after its term has expired and the term of all industrial agreements has now expired.
- [4] On 11 May 2004 the Queensland Council of Unions (QCU) filed a similar application (B744 of 2004). The QCU application also sought the maintenance, other than the amending of operative dates and the quantum of wage adjustment, of the 2003 Declaration of Policy dealing with the *Statement of Principles*: see (2003) 173 QGIG 1258.
- [5] Both the AWU and the QCU sought to have both applications joined. There was no opposition to that application and both matters were joined.
- [6] On 27 May 2004 we published a Declaration of Intent to satisfy the duty placed upon the Commission by s. 287(3) of the Act. The Declaration of Intent is now reported at (2004) 176 QGIG 154.
- [7] Since the decision of the AIRC the following industrial tribunals have granted similar applications to that before this Full Bench:
- the Western Australian Industrial Relations Commission on 3 June 2004: see 2004 WAIRC 11660:

- the New South Wales Industrial Relations Commission on 4 June 2004: see [2004] NSWIRComm 148;
- the South Australian Industrial Relations Commission on 22 June 2004: see [2004] SAIRComm 31; and
- the Tasmanian Industrial Commission on 23 July 2004.

AWU

[8] The AWU in its submission urged the Full Bench to adopt the safety net increase awarded by the AIRC. In so doing the Bench was referred to the following comments in the *2000 State Wage Case Decision*:

“It cannot reasonably be expected that all state economies will at all times perform in the same way. The Australian Industrial Relations Commission takes account of circumstances in all states and is aware of a likelihood that its decision will flow into particular state industrial systems. It is obviously aware also that its awards may marginally impact differently in different states. There will be times when the Queensland economy outperforms other states and *vice versa*. As long as the discrepancies are not large and consistent, we consider that the proper course is to take the broad view and flow the Federal increases into the Queensland system”: see *Queensland Council of Unions v Queensland Chamber of Commerce and Industry Limited, Industrial Organisation of Employers and Others* (2000) 164 QGIG 372.”.

[9] In urging the Commission to adopt the findings of the AIRC, the AWU points to the following key findings:

- the AIRC had evidence of the Gross State Product figures before it;
- the AIRC accepted that there was continuing strong economic growth, particularly in non-farm output throughout 2003;
- the AIRC accepted that past increases have not proved a disincentive to enterprise bargaining;
- the Australian economy is expected to continue to perform well with employment continuing to grow and unemployment continuing to reduce further; and
- the AIRC was not able to discern any negative impact of the safety net adjustment in recent years.

[10] On the Queensland economy the AWU supported the submissions of the QCU contending that the Queensland economy was sufficiently strong to absorb the increases being sought in its application.

QCU

[11] The QCU submitted that the deliberations of the AIRC were relevant, particularly in relation to the economic data presented, and referred the Commission to the following commentary by the AIRC:

“Since our last decision growth in non-farm Gross Domestic Product has remained strong. Farm GDP in the year to December 2003 grew by 21.1 per cent, reflecting the recovery in many areas of the rural economy from the drought conditions which had contributed to major declines in farm production over recent years. GDP overall increased by 3.5 per cent in the year to December 2003. During the last 12 months, private investment continued to grow strongly, with the exception of dwelling investment which is declining from the very high levels recorded in previous years. Imports continued to grow strongly and exports declined slightly. Inflation, as measured by the CPI, was 2.4 per cent in December 2003, down from 3 per cent in December 2002. Unemployment has crept steadily lower, standing at 5.6 per cent in December 2003. Employment, particularly full-time employment, showed encouraging growth. Productivity increased at satisfactory levels. GDP per hour worked in the market sector grew by 3.2 per cent during 2003. Profits remain at high levels. Despite differences between the parties concerning the proper method of measuring the profit share, no one suggested that the share of total factor incomes attributable to profits is a serious obstacle to a safety net adjustment.”.

[12] And the further statement that:

“...in relation to the economic outlook, the Australian economy is expected to continue to perform well throughout the 2003-04 financial year with GDP forecast to increase by 3¾ per cent compared with the budget estimate of 3¼ per cent. It is expected that employment will continue to grow and unemployment will reduce further. There are some areas of risk including the potential inflationary effects of the rise in the Australian dollar, the pace at which parts of the rural economy recover from the drought, and the exposure of the manufacturing sector to exchange and interest rate movements and global capacity. Overall there are grounds for optimism that the economy will perform strongly in the immediate future.”: see paragraphs 4 and 6 PR002004 Statement 2004.”.

- [13] Further the QCU points to the AIRC finding that average wages increases for employees under certified agreements were around 4 per cent and that the Wage Cost Index increased 3.6 per cent over the past year. As to the potential negative effects on employment, the QCU relies upon the following comment of the AIRC:
- “As the Commission has done in safety net review decisions in recent years, we have had regard to the fact that substantial safety net adjustments may have some negative effects on employment in those sectors of the economy in which a high proportion of the workers are award reliant. The Commission is obliged to take into account the desirability of attaining a high level of employment. While this is an important issue we think that economic conditions generally, including the level of domestic demand, indicate that a significant increase is sustainable on this occasion. The limited arguments and materials advanced in this case for the proposition that past safety net adjustments have had a significant negative effect on employment were unconvincing. We also consider that any potential negative effects must be weighed against the real benefits of safety net adjustments for the employees who depend upon them for increases in wages, particularly low paid employees.”: see paragraph of PR 002004 Statement 2004.
- [14] On the Queensland economy the QCU relies on material published in the Queensland Economic Review and the Queensland Economic Update. Both are Queensland Treasury publications. Queensland Economic Review states that “[t]he Queensland economy continues to perform strongly, with a gross state product increasing by 1.8% in December quarter 2003, to be 3.6% higher over the year. Household consumption and dwelling investment continued to be the main drivers of the growth. This compares well to the national Gross Domestic Product which was 3.5% for 2003” and further, that “[g]rowth in Queensland’s domestic economy in the December quarter continued to be underpinned by strong population growth, with Queensland outperforming the rest of Australia in the terms of quarterly and annual economic growth in the December quarter.”
- [15] On the issue of employment, the Queensland Economic Review states that “[e]mployment conditions in Queensland strengthened considerably in December quarter 2003, with employment increasing by 1.3% in trend terms, following growth of 0.8% in the September quarter. While remaining more subdued compared with Queensland, employment growth in the rest of Australia also strengthened, recording an increase of 0.6% in the December quarter after recording no growth in the September quarter.”
- [16] The unemployment rate in Queensland, in the December 2003 quarter, also fell to its lowest quarterly rate in over two decades with a rate of 6.2%. The Queensland Economic Review also points to a continued strengthening of business conditions in the December quarter 2003 following a significant improvement in the previous quarter with business investment growth in Queensland accelerating through the second half of 2003.
- [17] The QCU further submits that the increase sought in the application will not have any significant effects on the Queensland economy given that the Queensland economy is performing well and only approximately 25% of workers in Queensland rely on the Queensland award system. According to the submission of the QCU, a failure to award the wage adjustment sought would disadvantage the lowest paid workers in Queensland and the Commission was urged to grant the applications.

Queensland Government

- [18] The Queensland Government’s position is one of support for both applications. In so doing the Queensland Government relies on the decision and findings of the AIRC, the current state of the Queensland economy, the needs of the low paid and those who remain reliant on awards and/or the Queensland Minimum Wage for their rate of pay, and the provisions of the Act.
- [19] As for the Queensland economy the Queensland Government submits that the key indicators show the economy to be sound and the forecast is for the economy to remain positive. The Queensland Government contends that the economy has the capacity to absorb and sustain the increases sought in the application. In this regard the Queensland Government relies upon the following:
- gross state product in Queensland is expected to grow by 4% in 2003-4, outperforming estimated national growth for the eighth consecutive year;
 - Queensland’s economic growth is forecast to strengthen to 4¼% in 2004-5;
 - household consumption has continued to be one of the key drivers of economic activity in Queensland over the last year and it is expected to grow at a near-record rate in 2003-04. It is expected to grow at 8½% over the year returning to a more sustainable rate of growth of 4¾% in 2004-05;
 - dwelling investment has continued to increase through the first half of 2003-04 and is expected to rise by 12½% over the year. Dwelling investment in 2004-05 is forecast to remain unchanged as compared with a forecast decline of 3% nationally in the same period;

- business investment in Queensland is expected to once again record solid growth of 6½% in 2003-04 with a forecast of it being buoyed substantially to 8½% in 2004-05 by the improved outlook for world economic growth and the recent increase in world commodity prices;
- the Brisbane Consumer Price Index inflation is expected to average 3% in 2003-04 with a forecast for it to moderate to 2½% in 2004-05. Inflation in Queensland in 2004-05 is forecast to be higher than the 2% forecast nationally;
- the key external risks to the economic outlook for Queensland include the sustainability of growth in China and the United States, the possibility of higher oil prices and domestic inflation;
- the number of persons employed in Queensland, in year-average terms, is estimated to increase by 3¼%, or an increase of almost 60,000 jobs in 2003-04. The average unemployment rate is forecast to fall to 6¼%, the lowest since 1981-82. As economic activity in Queensland switches further from labour-intensive domestic sectors to more capital-intensive export-orientated industries, Queensland's employment growth is forecast to ease to 2¼% in 2004-05;
- the ABS Wage Cost Index for Queensland grew by 3.8% over the year to March quarter 2004, compared with 3.6% growth nationally. The Wage Cost Index for the private sector in Queensland grew by 3.7% over the year as compared with that of 3.3% nationally; and
- the average annualised wage increase for employees covered by agreements registered in the Queensland Industrial Relations Commission in the 2004 March quarter was 3.8% per employee down from 4.4% per employee in the 2003 December quarter.

[20] According to the Queensland Government submission, the proposed increases will provide a real benefit to the lowest paid employees in Queensland and there is no reason to believe that the difficult financial circumstances of such employees in Queensland would be any different to the evidence accepted by the AIRC in its deliberations.

[21] The Government estimates that the flow-on of the national wage case increases to Queensland awards would add around 0.3 percentage points to the total wages bill in Queensland and is thus an affordable increase to aggregate wages growth and one that the economy can sustain in light of the generally favourable economic conditions and outlook in Queensland.

[22] In terms of the legislative provisions the Queensland Government points to the principle object of the *Industrial Relations Act 1999* and in particular to s. 3(b) and (g), s. 273(2)(a) and s. 320 of the Act in its support of the applications.

AIG

[23] The Australian Industry Group Industrial Organisation of Employers (Queensland) (AIG) does not oppose the adoption by this Commission of the arbitrated safety net adjustment awarded by the AIRC in its 2004 Safety Net Review Decision as generally the AIG supports a uniformity of safety net adjustments in the Federal jurisdiction and the various State industrial tribunals.

LGA

[24] The Local Government Association of Queensland Inc (LGA) supports the adoption by this Commission of the substantive terms of the 2004 Safety Net Review decision of the AIRC as it supports consistent safety net award outcomes in the various State and Federal award jurisdictions.

QCCI

[25] The Queensland Chamber of Commerce and Industry Limited Industrial Organisation of Employers (QCCI) supports the granting of a \$10.00 per week wage increase and a 1.9% increase to work related allowances and service increments arguing that such an increase is a fair and reasonable one and in line with community standards. This is a similar position to that adopted by the Australian Chamber of Commerce and Industry before the AIRC.

[26] In support of its position the QCCI relies upon s. 3(a), (b), (f) and (g) and s. 320(3) of the Act.

[27] The QCCI does not disagree with the economic data provided by both the Queensland Government and the QCU however it submits that the Commission should have regard to the fact that any impact of our decision will be greater outside of the Brisbane region as more than 50% of workers affected by the decision work in rural and regional communities.

[28] Whilst the QCCI agrees that the Queensland economy continues to deliver "a solid performance that is anticipated to continue over the next 12 months" it refers the Bench to certain risks associated with the economy that should be considered. These risks were also before the AIRC in its deliberation and include:

- the rate of underemployment;
- the rate of inflation cannot be sustained at such a moderate rate;
- the rise in the price of oil;
- exports have not grown;
- the general rural conditions;
- international competition has intensified;
- the decline in manufacturing jobs; and
- the Australian Bureau of Agriculture and Resource Economic has predicted a tough outlook for agriculture in 2004-05.

[29] The QCCI also urged the Commission to give particular consideration to the following:

- the impact of the applications on small business;
- additional benefits that employees may receive in the period September 2004 to August 2005 including taxation benefits, the changes to the termination, change and redundancy benefits;
- the Queensland drought situation.

QRTSA

[30] The Queensland Retail Traders and Shopkeepers Association, Industrial Organization of Employers (QRTSA) supported the position adopted by the QCCI. In so doing the QRTSA pointed to the significant contribution the retail industry made to employment in Queensland and submitted that there had been a decrease of 0.6% in the number of persons employed in the industry for the year ended February 2004. The QRTSA also referred to the fact that the private sector in Queensland had experienced an increase in wages costs of 3.7% for the period March 2003 to March 2004 which was greater than the 3.3% increase experienced on a national basis.

BIA

[31] The Baking Industry Association of Queensland, Union of Employers (BIA) also supported the position adopted by the QCCI. The BIA asked the Commission to consider the following factors when considering the applications:

- the already tight operating margins of many small industry operators;
- the additional increases in terms of wages experienced in 2003;
- the increased costs associated with the food safety reforms and the more stringent labelling requirements;
- the increases in the cost of raw materials such as sugar and flour; and
- the very nature of the baking industry which is a 24 hour per day, 7 days per week industry.

RLCA

[32] Also supporting the position adopted by the QCCI was The Registered and Licensed Clubs Association of Queensland, Union of Employers (RLCA).

NRA

[33] The National Retail Association Limited, Union of Employers (NRA) opposes any increase to wages and allowances. This is a different approach to that adopted by The Australian Retailers Association before the AIRC. In that matter the Australian Retailers Association conceded that a moderate increase in award rates of pay was appropriate. In opposing the applications generally the NRA asked the Commission to have regard to the following factors:

- the performance of the retail sector was vital to the health of the overall economy;
- the multiplier effect generated by additional turnover in the retail sector;
- the retail industry is a labour intensive and supplier intensive industry;
- the retail industry is the largest employing industry in Queensland and nationally; and

- that the increases sought exceed the consumer price index.

QHA

[34] The Queensland Hotels Association, Union of Employers (QHA) submits that an increase of \$12.00 per week is more appropriate than that sought in the applications. The QHA supports the applications in all other respects.

[35] The QHA acknowledges that some 50% of those employed by its members in Queensland will receive the benefit of the \$19.00 increase granted by the AIRC as such employees are covered by the *Hospitality Industry – Accommodation, Hotels, Resorts and Gaming Award 1998* – an award of the AIRC. The QHA submits that this Award, and thus the \$19.00 increase, covers employees in the south east corner of Queensland. The remaining 50% of those persons employed by members of the QHA are employed outside the south east corner of the State. The QHA contends that those employed outside the south east corner of Queensland should only receive a \$12.00 per week increase.

[36] In arguing for different increases to apply to hotel industry workers outside the south east corner of Queensland, the QHA referred the Full Bench to various statistical data which tends to show that:

- hotels in the south east corner are outperforming regional hotels in “room occupancy” rates; and
- hotels in the south east corner are outperforming regional hotels in “takings”.

RCEA

[37] The Restaurant and Caterers Employers Association of Queensland Industrial Organisation of Employers (RCEA) opposes the applications. This is in contrast to the position adopted by The Restaurant and Catering Association of Victoria which was the only similar organisation to make submissions before the AIRC and which conceded that a moderate increase in award rates of pay was appropriate.

[38] The RCEA’s position was that it did not dispute that the Queensland economy was moving in a positive direction but submitted that the granting of the increases sought by the AWU and QCU would “cause the greater business community much concern”. Further the RCEA accepted that the economic data demonstrated that the Queensland labour market was solid. The RCEA also pointed to Queensland Treasury data which indicated that cafes, restaurants and accommodation recorded its fifth consecutive quarter of annual job losses. These losses are said to result from the effect on tourism of uncertain external conditions and the SARS virus. The food industry, according to the RCEA, still has a “hang-over” from the downturn of the 2002-03 period.

HAQ

[39] The Hardware Association of Queensland, Union of Employers (HAQ) opposes the applications arguing that the granting of the applications would lead to a slowing of the rate of employment growth within the retail industry. The HAQ did not dispute that the Queensland economy was moving in a positive direction. The HAQ also stated that “growth in the labour market appears to be indisputable” but point to a number of issues that the Full Bench should consider including:

- job losses in the industry;
- business closures with a resultant increase in unemployment;
- reduction in employment opportunities; and
- rising cost of goods.

[40] There was however no evidence adduced to support the submission that the hardware industry was any different to the labour market generally in Queensland.

QMCHA

[41] The Queensland Mechanical Cane Harvesters Association Union of Employers (QMCHA) opposes the granting of the applications to the classification of Cane Harvester and Cane Haulout, Division 2, Field Sector, *Sugar Industry Award – State*. It is also opposed to any increase in allowances relating to work and conditions with respect to such classifications and to the operative date. We have accepted the QMCHA’s Response to the AWU and QCU applications as being an application for exclusion from any General Ruling we may make. In such circumstances we will deliver a separate decision on the QMCHA’s application for exclusion.

QCGA

[42] The Queensland Cane Growers’ Association, Union of Employers (QCGA) supports an increase of \$10.00 per week in award rates of pay, a 1.8% increase in allowances relating to work and conditions, a \$10.00 increase in the Queensland Minimum Wage and an operative date of 1 January 2005. In support of its application, the QCGA adduced evidence from Ian James Ballantyne, the General Manager of Queensland Cane Growers

Organisation Ltd. It is those employed pursuant to Division 2 of the Field Sector *Sugar Industry Award – State* which the QGCA is concerned.

- [43] According to Mr Ballantyne increased wages will adversely impact upon the immediate and future economic capacity of employers in the sugar industry field sector. Mr Ballantyne said that cane growers were very poorly placed to be able to absorb any cost increases because of the severe financial crisis facing the industry. It was Mr Ballantyne's evidence that the exceptional circumstances facing the industry (poor weather and a low sugar price) will continue to adversely impact upon the cane growers' economic capacity to pay increases.
- [44] According to Mr Ballantyne, the Australian Government's Sugar Industry Reform Plan has provided the industry with \$444 million. As a result, growers have already received \$67 million in Sustainability Grants with further amounts to be paid in January 2005. Other aspects of the package include income support, Restructuring and Re-establishment Grants and provision for Business Planning Assistance. It was Mr Ballantyne's evidence that the sugar industry has not shared in the booming economic times that Queensland industry generally has experienced and asks that special consideration be given to employers in the industry.
- [45] The QCGA submits that s. 320(2), (3) and (5) of the Act require us to consider the sugar industry field sector's economic position as an integral part of the Queensland economy and to exercise its power with this in mind. The QCGA asks the Commission to consider the past, present and future economic position of the field sector in its consideration of the applications.
- [46] The QCGA also points to the impact of the sugar industry on local communities in the sugar growing areas of Queensland submitting that there will be adverse effects on such communities should the increase be granted. We will comment on this submission later in this decision.

AgForce

- [47] AgForce Queensland Industrial Union of Employers (AgForce) opposes the applications. This is consistent with the position adopted by the National Farmers' Federation before the AIRC. AgForce submits that it represents some 10,000 employers in the beef cattle, wool production, sheep meat production, grain growing, cotton growing and associated industries none of which has consistently operated in an economically viable environment for the past few years largely as a result of the effects of extreme record drought conditions in Queensland.
- [48] AgForce's submission highlights the effects of prolonged drought on the industries it represents. It points to the fact that, at the present time, there are 48 shires drought-declared and a further 8 shires part drought-declared.
- [49] Further, AgForce submits that its members are generally subject to the provisions of two awards of this Commission – the *Shearing Industry Award – State 2003* and the *Station Hands Award – State 2003*. AgForce contends that as a result of the application of the Queensland Minimum Wage to the latter Award, wage rates have increased considerably in recent years. In addition AgForce cites the decision of Hall P in *AgForce Queensland Industrial Union of Employers v The Australian Workers' Union of Employees, Queensland* (2003) 174 QGIG 825 wherein the President found that the value of "keep" (\$74.30 per week) was excluded as part of remuneration (and as part of the Queensland Minimum Wage calculation) as had previously been the case. AgForce submits that since September 2003, wage rates under the *Station Hands Award – State 2003* have risen in varying degrees ranging from 5.9% to 23%. AgForce submit that any further increases would constitute unreasonably high levels of increases in the industry.
- [50] This Bench is bound by the principle of precedent. Hall P made the decision that the value of "keep" did not form part of the Queensland Minimum Wage. The Queensland Minimum Wage is the lowest wage that can be paid to an employee in Queensland. The Queensland Minimum Wage resulted from a hearing before a Full Bench of this Commission and the wage cannot be regarded as excessive. We have formed the view that depriving 25% of workers in Queensland an increase in award rates and/or the Queensland Minimum Wage is not an appropriate response to the plight of those employing persons under the *Station Hands Award – State 2003*.

Sugar Industry

- [51] In the exercise of its functions and powers, this Commission must consider, in terms of s. 320(5) of the Act "the public interest", and to that end must consider "the likely effects of the commission's decision on the community, local community, economy, industry generally and the particular industry concerned". To this end, the Commission must take into account the financial state of the field sector of the Queensland sugar industry. In their submission the QCGA stated that the various Shire Councils located in the sugar industry communities have expressed their concern at the adverse impact that a downturn in the sugar industry is having on those local communities.
- [52] That submission is somewhat inconsistent with the submission of the LGA which represents 125 city, town and shire councils in Queensland. The LGA supported the adoption of the AIRC outcomes albeit on the ground of consistency. If the local authorities have concerns then it would be incumbent on the QCGA and the QMCHA to

have those various local authorities give evidence and/or make submissions on the effect on their communities resulting from the circumstances facing the sugar industry.

- [53] The Australian Government has recognised the plight of the sugar industry through the Sugar Industry Reform Plan. While there is little evidence of the detail of this Plan it seems to us that the benefits flow to growers and other employers in the industry. Employees do not appear to have access to any of the monies.

Conclusion

- [54] This Commission is required by s. 273(2)(a) of the Act to perform its functions in a way that furthers the objects of the Act and further, in making any decision, s. 320(5) of the Act requires the Commission to consider the public interest, and to that end the Commission must consider the objects of the Act and the likely effects of its decision on the community, local community, economy, industry generally and the particular industry concerned. The principal object found in s. 3 of the Act is to provide a framework for industrial relations that supports economic prosperity and social justice. Section 3 of the Act provides further the means by which the principal object can be achieved. In so far as these applications are concerned the relevant paragraphs of s. 3 of the Act are:

- providing for rights and responsibilities that ensure economic advancement and social justice for all employees and employers: paragraph (a);
- providing for an effective and efficient economy, with strong economic growth, high employment, employment security, improved living standards, low inflation and national and international competitiveness: paragraph (b);
- promoting the effective and efficient operation of enterprises and industries: paragraph (f); and
- ensuring wages and employment conditions provide fair standards in relation to living standards prevailing in the community: paragraph (g).

- [55] The Commission is also required by s. 126(d) and (f) of the Act to ensure that awards provide for “secure, relevant and consistent wages and employment conditions” and provide for “fair standards for employees in the context of living standards generally prevailing in the community”.

- [56] The decision of the AIRC in the *2004 Safety Net Review* is also a matter that is relevant to consider. The AIRC in its decision concluded that the Australian economy was strong and that the economic outlook raised an expectation that the Australian economy will continue to perform well. The material before this Full Bench would indicate that the Queensland economy is sound and the forecast is for the Queensland economy to remain positive.

- [57] Whilst the impact of the drought has probably been felt more in Queensland than in the Australian economy generally, and the Queensland sugar industry continues to face difficulties, we are not persuaded that those aspects of the Queensland economy warrant any departure from the outcome in the AIRC decision. The discrepancy in our view is not large and certainly not consistent throughout industry: see comments of the Full Bench in *Queensland Council of Unions v Queensland Chamber of Commerce and Industry Limited, Industrial Organisation of Employers and Others* (2000) 164 QGIG 372.

- [58] Around one quarter of Queensland employees rely on the Queensland Industrial Relations Commission award system to provide wage increases. There continues to be a wage disparity between those employees who are able to bargain either individually or collectively for wage increases and those who rely upon the award system. An inability to negotiate wage increase with their respective employers should not, in our view, deprive such workers of a wage increase such as that sought in these applications.

- [59] This Full Bench has considered the evidence of Mr Ballantyne and all of the submissions before it. We are of the view that the proper course is to flow the increases granted in the *2004 Safety Net Review* to awards of the Queensland Industrial Relations Commission in so far as the increases relate to arbitrated wage adjustments and the adjustment of allowances that relate to work and service increments. There will be consequent amendments to the *2003 Statement of Principles*.

- [60] Section 287(1)(c) and (2) of the Act require the Commission to make a general ruling about a Queensland Minimum Wage for all employees at least once each calendar year. The last general ruling was made in August 2003 with an operative date of 1 September 2003. As we have decided to grant the \$19.00 per week increase in award wages it is, in our view, appropriate to also grant the applications to increase the Queensland Minimum Wage to \$467.40 per week for full-time employees and a proportionate amount for junior, part-time and casual employees regulated by industrial instruments (excluding industrial agreements).

- [61] The operative date for all increases arising from this decision will be 1 September 2004.

Dated 3 August 2003.

D.M. LINNANE, Vice President.

D.A. SWAN, Deputy President.

B.J. BLADES, Commissioner.

Appearances:

Ms T. Lane for The Australian Workers' Union of Employees, Queensland.

Mr M. Brady for the Queensland Council of Unions.

Mr T. Shipstone for the Queensland Government.

Mr M. Belfield for the Australian Industry Group Industrial Organisation of Employers (Queensland).

Mr R. Beer for the Local Government Association of Queensland (Inc).

Mr S. Nance for the Queensland Chamber of Commerce and Industry Limited, Industrial Organisation of Employers.

Mr J. Price for the Queensland Retail Traders and Shopkeepers Association (Industrial Organisation of Employers).

Mr G. Hamilton for The Baking Industry Association of Queensland – Union of Employers.

Ms K. O'Brien for The Registered and Licensed Clubs Association of Queensland, Union of Employers.

Mr C. Broadbent for the National Retail Association Limited, Union of Employers.

Mr D. Matley for the Queensland Hotels Association, Union of Employers.

Mr E. De Wet for The Restaurant and Caterers Employers Association of Queensland Industrial Organisation of Employers.

Ms J. Oliver for the Hardware Association of Queensland, Union of Employers.

Mr J. Powell for the Queensland Mechanical Cane Harvesters Association, Union of Employers.

Mr G. Trost for the Queensland Cane Growers' Association Union of Employers.

Mr W. Turner for AgForce Queensland Industrial Union of Employers.

Hearing Details:

2004 15 June

21 July

Released: 5 August 2004

Government Printer, Queensland

©The State of Queensland 2004.