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## States fire \$20 pay rise over PM's bow

Author: Imre Salusinszky Paige Taylor, Additional reporting: David Uren.  
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THE states yesterday opened a new front in their industrial relations war with the Howard Government, with tribunals in NSW and Western Australia granting hefty pay rises to low-paid workers.

The \$20-a-week boost to the minimum wage in the two states is the biggest ever granted in dollar terms and overshoots the \$19.40 demanded by the unions.

The decisions will affect mainly women and part-time workers in areas such as retail and hospitality, bringing their wages to \$504.40 per week, the first time the minimum wage has risen above \$100 a day.

The rise came as **ACTU** secretary **Greg Combet** launched a week of action against the Government's new workplace laws, declaring: "I recall we used to run the country and it would not be a bad thing if we did again."

Yesterday's rulings by the two industrial courts pre-empt John Howard's new Fair Pay Commission, which will hand down its inaugural decision on the minimum wage by November.

However, because workers in incorporated companies have been brought under the Prime Minister's Work Choices legislation, yesterday's ruling applies to just 250,000 workers in NSW and a further 60,000 in Western Australia, in contrast to the 8.5million workers covered by Work Choices.

If the FPC eventually decrees a minimum-wage rise of less than \$20, the rulings will make the lives of small businesses even harder, as they face higher wage costs than incorporated businesses under Work Choices.

Tribunals in Tasmania, South Australia and Queensland are expected to follow the lead of Western Australia and NSW in coming months.

All states are challenging the legality of the Government's new national workplace system in the High Court.

Yesterday's rulings were hailed by the unions, with Mr Combet

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saying they set a ``benchmark that the so-called Fair Pay Commission must meet".

But federal Workplace Relations Minister Kevin Andrews told The Australian that that was ``a matter for the Fair Pay Commission".

``We've set it up as an independent body," Mr Andrews said. ``Our general approach is that we are not against a wage increase for low-paid workers.

``Our argument is that there ought to be a continuation of the consistent approach that has been adopted for a long time -- namely, that the states wait until after the national decision."

But both state courts were scathing about Mr Andrews's argument that they should delay their rulings until the Fair Pay Commission decision was handed down. The West Australian Industrial Relations Commission said it found the minister's submission ``surprising" and ``rather presumptuous".

The NSW commission banished Mr Andrews from its hearings after he refused to put a number on the commonwealth's preferred minimum wage, arguing national consistency meant the FPC should be heard first.

The NSW IRC ruling said: ``These workers have little or no bargaining power so as to engage in enterprise bargaining and have a reduced capacity to sustain themselves and their families at an acceptable standard."

Mr Andrew retorted that, unlike the two state tribunals and the national industrial court -- which set the minimum wage until this year -- the FPC would ``also look at the people on the margins of employment, who haven't got a job".

Business groups attacked yesterday's rulings. In NSW, ABL State Chamber chief Kevin MacDonald said the decision ``would only impact those businesses that are not incorporated, and overwhelmingly they are small businesses".

In Perth, Chamber of Commerce and Industry boss John Langoulant said that, while a \$20 raise was ``not unreasonable", the decision was ``not going to help small-business owners, some of whom are in direct competition with corporations who do not have to comply with this".

Mr Andrews said the decisions could further encourage small businesses to incorporate and enter the Work Choices regime.

PAY PACKET

Weekly minimum wage

State and federal ..... \$484.40  
New state minimum for NSW, WA ... \$504.40  
Increase ..... \$20  
Union demand ..... \$19.40

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