



General Wage-Setting Decision 2008



FACT SHEET

Junior employees and employees to whom training arrangements apply

The Australian Fair Pay Commission's general Wage-Setting Decision 2008 has two main elements:

- an **increase** of \$21.66 per week (\$0.57 per hour) to the standard Federal Minimum Wage (FMW) bringing the weekly rate to \$543.78. The standard FMW increases from \$13.74 to \$14.31 per hour; and
- an **increase** of approximately \$21.66 per week¹ (\$0.57 per hour) for adult² rates of pay in Australian Pay and Classification Scales (Pay Scales).

The decision takes effect from the first pay period on or after 1 October 2008.

In general, the decision applies these increases to the minimum rates in accordance with the way they were increased by general wage increases in the past.

Young workers covered by Pay Scales that do not include a junior rate of pay

Where young workers are covered by Pay Scales that do not include a junior rate of pay, they are covered by the relevant adult rate of pay as increased by this decision.

Junior employees

The Commission will flow on general Wage-Setting Decision 2008 to junior rates in Pay Scales. The general pay increase will be applied to junior rates on the basis of formulas in the relevant wage instruments that were in effect before 27 March 2006. This will result in a proportionate increase for junior rates.

For example, before 27 March 2006, a junior rate in an award may have been specified at 60 per cent of a specific rate in the award. General Wage-Setting Decision 2008 keeps this junior rate at 60 per cent of the new, higher rate.

Where there was no formula in the wage instrument in effect before 27 March 2006, the general increase will be pro rated so that the junior rate retains its relativity to the relevant adult rate in the Pay Scale. If no relevant rate is identified, the junior rate will be adjusted to retain its relativity to the lowest adult rate in the Pay Scale.

Employees to whom training arrangements apply

The Commission will flow on general Wage-Setting Decision 2008 to employees to whom training arrangements apply (apprentices and trainees).

Minimum rates of pay for apprentices and some trainees will be increased on the basis of formulas contained in the relevant pre 27 March 2006 wage instruments. This will generally pro rate the increase, maintaining the relativity of the basic periodic rates of

¹The Commission's decision is required to be expressed in hourly rates of pay.

² Where adult means a basic periodic rate of pay that does not explicitly apply to a class of employees with a disability, or employees to whom a training arrangement applies, or junior employees.

pay for apprentices with those applying to the relevant tradesperson rates. Formulas, where available, will be used to adjust basic periodic rates of pay for full-time and part-time apprentices, and school-based apprentices.

In circumstances where there was no formula or method in the pre 27 March 2006 wage instrument, the general increase will be pro rated so that the apprentice rate maintains its relativity to the base tradesperson's rate of pay in the Pay Scale for the trade to which the apprentice rate applies.

National Training Wage Traineeships and related traineeships

Basic periodic rates of pay for trainees undertaking National Training Wage Traineeships or related traineeships (including state Training Wage traineeships) will be adjusted to flow on the general decision. The new rates applicable to National Training Wage Traineeships and related traineeships are contained in Schedule A to the Commission's general Wage-Setting Decision 2008. The rates have been adjusted using the same method by which they were adjusted following Safety Net Review decisions of the Australian Industrial Relations Commission.

Other Traineeships

The Commission will also flow on the general decision to trainee minimum rates where there was no formula or method for adjusting minimum wages for trainees in the pre-Work Choices wage instrument and traineeships which are not National Training Wage or related traineeships.

Where a Pay Scale contains rates that apply to employees who have obtained the qualification for which the training arrangement applies (the fully qualified rate), the general increase will be flowed on so that the trainee rate maintains its relativity to the fully qualified rate of pay in the Pay Scale. This will generally pro rate the increase, maintaining the relativity of the basic periodic rates of pay for trainees with those applying to fully qualified rates.

Where a Pay Scale does not contain a fully qualified rate, or where the fully qualified rate is lower than the standard FMW, the general increase will be pro rated so that the trainee rate maintains its relativity to the standard FMW, as adjusted by the Commission's decision.

Need further information?

If you would like more information on wage rates, call the **Workplace Infoline** on **1300 363 264**.

People with a hearing and/or speech impairment can contact the **National Relay Service** on **133 677** or **freecall 1800 555 677**.

If you would like to view the Commission's decision in full, or check other fact sheets in this series, you can visit the **Australian Fair Pay Commission website** at www.fairpay.gov.au.