



## FACT SHEET

### 2008 wage increases for farm businesses which were eligible for the 2007 deferral

On the first pay period on or after 1 October 2008 all farm businesses are required to pay their employees minimum rates of pay, adjusted for both the Australian Fair Pay Commission's:

- general Wage-Setting Decision 2007; and
- general Wage-Setting Decision 2008.

### 2007 deferral

In its general Wage-Setting Decision 2007, the Commission granted a deferral of the 2007 wage increase for farm businesses most severely affected by drought.

The Commission exempted farm businesses in receipt of an **Exceptional Circumstances Interest Rate Subsidy (ECIRS)** from paying the general wage increase awarded by the Commission in 2007. The deferral applied only to classification minimum wages above the standard Federal Minimum Wage (FMW). It did not apply to the standard FMW itself.

### Which farm businesses qualified for a deferral of general Wage-Setting Decision 2007?

Farm businesses that:

- have been in receipt of **ECIRS**;
- employed workers in an **Exceptional Circumstances declared area**, as declared by the Federal Minister for Agriculture, Fisheries and Forestry; and
- employed workers covered by the Pay Scales specified at the end of this fact sheet.

The deferral did not apply to employers and employees covered by transitional awards.

### When are employers who elected to implement the deferral required to pay the general Wage-Setting Decision 2007 increase?

Although the deferral of the wage increase was available to eligible farm businesses, the granting of the deferral did not preclude these farm businesses from paying the 2007 minimum wage increase.

For those farm businesses that elected to implement the deferral, the 2007 wage increase was deferred for a maximum period of 12 months, or until a farm business ceased to qualify for the **ECIRS**, whichever came first.

If a farm business ceased to be in receipt of the **ECIRS**, it was no longer exempt from paying the general Wage-Setting Decision 2007 increase and was required to pay the increase to its eligible employees from that point in time.

Farm businesses that elected to implement the deferral are required to pay the general Wage-Setting Decision 2007 increase on 1 October 2008.<sup>1</sup>

General Wage-Setting Decision 2007 increased Australian Pay and Classification Scales (Pay Scales) as follows:

- an increase of \$10.26 per week (\$0.27 per hour) in all adult<sup>2</sup> Pay Scales that currently provide for a basic periodic rate of pay up to the level of \$700.00<sup>3</sup> per week; and
- an increase of \$5.32 per week (\$0.14 per hour) in all adult Pay Scales that currently provide for a basic periodic rate of pay above \$700.00<sup>4</sup> per week.

### **2008 wage increases**

In addition, farm businesses must apply the general Wage-Setting Decision 2008 increase at the commencement of the employee's first pay period on or after 1 October 2008.

The 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 week<sup>5</sup> (\$0.57 per hour) for adult<sup>6</sup> rates of pay in Australian Pay and Classification Scales (Pay Scales).

The 2007 and 2008 wage increases flowed on to junior employees, employees to whom training arrangements apply, employees with a disability, casual employees and employees receiving basic piece rates of pay.

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<sup>1</sup> Wage-Setting Decision 4/2007 terminates the deferral decision.

<sup>2</sup> 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.

<sup>3</sup> The Commission's decision is required to be expressed in hourly rates of pay. Hourly rates of pay up to and including \$18.42 per hour increase by \$0.27 per hour. \$18.42 per hour x 38 hours equals \$699.96 per week.

<sup>4</sup> Hourly rates of pay over \$18.42 per hour increase by \$0.14 per hour. \$18.42 per hour x 38 hours equals \$699.96 per week.

<sup>5</sup> The Commission's decision is required to be expressed in hourly rates of pay.

<sup>6</sup> 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.

### **Example**

Anna is covered by the Pay Scale derived from the Pastoral Industry Award 1998 (PIA Pay Scale), and has been employed by a farm business in receipt of the **ECIRS**, in an Exceptional Circumstances declared area.

Anna's employer is a farm business which was eligible for the exemption from the 2007 wage increase and elected to defer the wage increase to its employees.

Prior to 1 October 2007, Anna's basic periodic rate of pay under the PIA Pay Scale was \$15.65 per hour. As a result of the deferral, Anna's rate of pay did not increase after the Commission's 2007 general Wage-Setting Decision and remained at \$15.65 per hour.

On 1 October 2008, the deferral ceases and Anna is entitled to the increase awarded by general Wage-Setting Decision 2007. Therefore on 1 October 2008, Anna's basic periodic rate of pay will increase by the quantum of the 2007 increase, which is \$0.27 per hour.

On 1 October 2008, Anna will be entitled to  $\$15.65 + \$0.27 = \$15.92$  per hour. Anna will also be entitled to receive the general Wage-Setting Decision 2008 increase on her first pay period on or after 1 October 2008.

Anna's next regular pay date after 1 October 2008 is 6 October 2008. Therefore, on 6 October 2008 Anna's basic periodic rate of pay will increase by the quantum of the 2008 increase which is \$0.57 per hour.

On 6 October 2008, Anna will be entitled to  $\$15.92 + \$0.57 = \$16.49$  per hour.

### **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](http://www.fairpay.gov.au).

## **AUSTRALIAN PAY AND CLASSIFICATION SCALES ELIGIBLE FOR DEFERRAL**

### **Federal**

The Australian Pay and Classification Scale derived from the Pastoral Industry Award 1998

The Australian Pay and Classification Scale derived from the Horticultural AWU Award 2000

The Australian Pay and Classification Scale derived from the Woolclassers' Award 1999

### **New South Wales**

The Australian Pay and Classification Scale derived from the Cotton Growing (State) Employees Award

The Australian Pay and Classification Scale derived from the Dairying Industry Employees (State) Award

The Australian Pay and Classification Scale derived from the Horticultural (State) Award

The Australian Pay and Classification Scale derived from the Pastoral Industry (State) Award

The Australian Pay and Classification Scale derived from the Breeding and Raising of Pigs (State) Award

The Australian Pay and Classification Scale derived from the Horticultural (State) Award

The Australian Pay and Classification Scale derived from the Poultry Farms Employees (State) Award

The Australian Pay and Classification Scale derived from the Mushroom Industry Employees (State) Award

The Australian Pay and Classification Scale derived from the Consolidated Wine Industry (State) Award

### **South Australia**

The Australian Pay and Classification Scale derived from the Pastoral Industry (SA) Award

The Australian Pay and Classification Scale derived from the Wine and Spirit Industry (SA) Award

## **Queensland**

The Australian Pay and Classification Scale derived from the Cotton Harvesting Award – State 2003

The Australian Pay and Classification Scale derived from the Feedlot Industry Award – State 2006

The Australian Pay and Classification Scale derived from the Fruit and Vegetable Growing Industry Award – State 2002

The Australian Pay and Classification Scale derived from the Pig Breeding and Raising Award – State 2003

The Australian Pay and Classification Scale derived from the Poultry Farm and Hatchery Employees' Award – State 2002

The Australian Pay and Classification Scale derived from the Station Hands Award – State 2003

The Australian Pay and Classification Scale derived from the Sugar Field Sector Award – State 2005

The Australian Pay and Classification Scale derived from the Shearing Industry Award – State 2003

The Australian Pay and Classification Scale derived from the Wool Classers and Wool Sorters (other than wool classers and wool sorters employed in shearing sheds) Award South Eastern Division – 2003

## **Western Australia**

The Australian Pay and Classification Scale derived from the Western Australia Shearing Contractors' (AWU) Award 2002

The Australian Pay and Classification Scale derived from the Farm Employees' Award 1985

## **Tasmania**

The Australian Pay and Classification Scale derived from the Farming and Fruit Growing Award