



General Wage-Setting Decision 2008



FACT SHEET

Who will get a wage increase?

The Australian Fair Pay Commission is responsible for adjusting minimum wages within the federal jurisdiction. The Commission's wage-setting decisions apply only to employees and employers in this jurisdiction.

General Wage-Setting Decision 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 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.

These increases flow on to junior employees, employees to whom training arrangements apply, employees with a disability, casual employees and employees receiving basic piece rates of pay.

In addition the Commission has granted a partial exemption from its general Wage-Setting Decision 2008 for those covered by the preserved Pay Scale derived from the Social and Community Services Employees (State) Award 2006 [NSW] (see separate fact sheet).

Who receives a wage increase as a result of the Commission's general Wage-Setting Decision 2008?

Employees in the federal jurisdiction receiving minimum wage rates will receive a pay rise from the first pay period on or after 1 October 2008. Employees receiving minimum wage rates include an employee who is receiving:

- the standard FMW;
- a special FMW; or
- a rate of pay included in a Pay Scale (previously reliant on a federal or state award).

Who is in the federal jurisdiction?

The majority of employees and employers in Australia are in the federal jurisdiction and are covered by the standard FMW, special FMWs or Pay Scales. Employees and employers covered include:

- trading, financial and foreign corporations (Constitutional corporations) and their employees;

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.

- employees and employers in the Australian Capital Territory, the Northern Territory and Christmas and Cocos (Keeling) Islands;
- the Commonwealth, including its authorities, and its employees;
- employers of waterside, maritime and flight crew employees who are employed in connection with interstate, overseas, inter-territory or state-territory trade and commerce; and
- most employees and employers in the state of Victoria.

Employees covered by an agreement made prior to 27 March 2006

The wage increase provided by the Commission's general Wage-Setting Decision 2008 does not apply to:

- employees covered by the transitional federal award system;
- employees covered by Australian Workplace Agreements (AWAs) or certified agreements approved prior to 27 March 2006, where those agreements deal with basic rates of pay; and
- employees covered by preserved state agreements that deal with basic rates of pay.

Employees covered by an agreement made after 27 March 2006

Where employers and employees made a collective or individual agreement after 27 March 2006, employees must be paid at a rate that is at least equal to the relevant Pay Scale as increased by the Commission's general Wage-Setting Decision 2008.

The standard FMW and special FMWs and Pay Scales, (as part of the Australian Fair Pay and Conditions Standard), set out the minima that apply to employees in the federal system. Therefore, employers who made new agreements after 27 March 2006 must pay these employees wages that are at least equal to the new minimum wages.

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.