

IN THE FAIR WORK COMMISSION

Annual Wage Review 2018-19 – Junior rates of pay in modern awards C2019/1

SUBMISSIONS OF THE MOTOR TRADES ASSOCIATIONS

1. This submission is made on behalf of the following organisations: Motor Traders' Association of New South Wales, the Motor Trade Association of South Australia, the Motor Trade Association of West Australia and the Victorian Automobile Chamber of Commerce and Industry – collectively referred to as the 'Motor Trades Associations' in this submission.
2. This submission is made as a consequence of the Conference convened by Commissioner Hampton held on 15 May 2019.
3. At the time the Motor Trades Associations filed its submission on 12 April 2019, we were not aware of the number of modern awards affected by the issue contained within the **Annual Wage Review 2018-19: Questions on notice at paragraph 5.1.**
4. The Motor Trades Associations were under the impression that the junior rates under clause 33.7(b) under the Vehicle Manufacturing, Repair, Services and Retail Award 2010 was an anomaly when compared to other modern awards that needed to be rectified. However, we now know from the Background Paper issued by the Fair Work Commission (FWC) staff on 9 May 2019, that there are some 18 other modern awards with similar issues.
5. At the Conference on 15 May there was a proposal by the Australian Council of Trade Unions to adopt an approach of adjusting all junior rates that are lower than the equivalent rates in the National Minimum Wage Order 2018. The Motor Trades Associations do not support this approach as it will alter historical relativities without proper consideration.
6. The Motor Trades Associations have now also had the opportunity of reviewing the Australian Industry Group (AIG) submission made on 16 May 2019. The Motor Trades Associations see the merit of this submission and support the conclusion at page 6 that: "Union claims to increase wage rates for juniors to align with those of award/agreement free juniors should be rejected. This issue was dealt with by the Expert Panel in its Annual Wage Review 2010- 11 Decision and there is no need for, or merit in, the issue being revisited."
7. Given all of the above, the Motor Trades Associations are now not prepared, at this stage, to agree to adjust the junior rates at clauses 33.7(a) and 33.7 (c) of the Vehicle Manufacturing, Repair, Services and Retail Award 2010 until there is a proper review on the matter. We take the view of not agreeing to adjust these rates at this stage as such an adjustment may end up being out of step with what approach the FWC finally adopts in dealing with this matter.
8. The Motor Trades Associations also note the submission by the Rail Tram and Bus Union (RTBU) dated 14 May 2019 in relation to a comparison of the apprenticeship rates in the Rail Industry Award 2010 when compared to the National Minimum Wage 4. At the conference the RTBU also advised Commissioner Hampton that their apprentice

rates were below the apprentice rates in the Miscellaneous Award and sought an adjustment of these apprentice rates to align with the apprentice rates in this award.

9. If the review of junior rates is to be extended to a general review of apprentices rates against the rates applying in the Miscellaneous Award, the Motor Trades Associations oppose a broadening of the review to cover apprenticeship rates. In 2013 a Full Bench of the Fair Work Commission undertook an extensive review of apprentice rates across all relevant modern awards. This review resulted in rates of pay being adjusted for junior and adult apprentices based on the evidence presented to the Full Bench and there is no reasonable basis in our respectful submission to disturb the decision of the Full Bench.
10. In our respectful submission, the issue of junior rates should be dealt with after the current Annual Wage Review 2018-2019 is completed because there does not appear to be enough time to complete a proper review of these junior rates prior to the finalisation of the Annual Wage Review 2018-2019.



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