



Chamber of Commerce  
& Industry Queensland

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The Hon Justice IJK Ross AO  
Fair Work Australia  
GPO Box 1994  
Melbourne VIC 3001

Submitted via email: [awr@fwa.gov.au](mailto:awr@fwa.gov.au)

Dear Justice Ross,

The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to participate further in Fair Work Australia's 2011/12 Annual Wage Review. CCIQ would like to present the following feedback post-Federal Budget, in addition to the two submissions previously supplied on the 16 March and 27 April 2012.

The Federal Budget was delivered by the Treasurer, the Hon. Wayne Swan MP on Tuesday 8<sup>th</sup> May 2012. During his Budget speech, the Treasurer announced the decision by the Federal Government to scrap the planned 1 per cent company tax cut. CCIQ has expressed profound disappointment in the decision, which is not outweighed by the benefits to be received through other Budget initiatives including the loss carry back scheme for small businesses and the accelerated instant asset write-off.

The budget papers did however include several new initiatives to help families and low income earners including:

- Increasing the Family Tax Benefit Part A (FTB – A) for all eligible families. For those on the maximum rate, this involves the Government delivering an increase of \$300 per year for families with one child and an increase of \$600 per year for families with two or more children. For families receiving the base rate, the increase will be \$100 for families with one child and \$200 for families with two or more children. This is expected to benefit around 1.1 million families;
- Increasing the rate of FTB – A for each child aged 16-19 years in secondary school by up to \$4,208;
- Tripling the tax free threshold from \$6,000 to \$18,200 from 2012-13, further rising to \$19,400 in 2015-16;
- All taxpayers with incomes of up to \$80,000 will get a tax cut, with most receiving at least \$300 a year with many part time workers receiving up to \$600;
- The Government investing an additional \$2.1 billion over five years on a new Schoolkid bonus with eligible families automatically receiving payment of \$410 for primary school students and \$820 for secondary school students.

CCIQ is strongly of the view that the Federal Government's decision to not pass on the corporate tax rate cut for businesses and instead using the \$4.7 billion saved in tax receipts to provide additional support for families and low income earners (those people who are most likely to be receiving the

minimum wage at present), provides a stronger case for Fair Work Australia to only deliver a modest increase to minimum wages during the current review.

CCIQ strongly urges Fair Work Australia to consider the additional support being provided to low income earners in the coming financial year, measured against the precarious position of many businesses who are faced with a significantly diminishing capacity to absorb the continuing increase in business costs. CCIQ maintains our position that an increase to the Federal Minimum Wage above that supported by award reliant businesses will jeopardise the performance of the economy and reduce the ability of these employers to employ and retain staff, especially in light of promised businesses initiatives (ie the cut in the company tax rate) not being delivered.

Subsequently, CCIQ continues to urge Fair Work Australia to implement a moderate increase to the minimum wage that is substantially less than \$9 per week with preferably no increase until such time as when businesses are better placed to afford it.

If you have any questions regarding this correspondence, please do not hesitate to contact either myself or CCIQ Senior Policy Analyst Leanne Connell on (07) 3842 2237.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Nick Behrens', with a stylized flourish extending to the right.

Nick Behrens  
**General Manager, Advocacy**  
**Chamber of Commerce and Industry Queensland**