



# CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND REPLY SUBMISSION

▸ *Annual Wage Review 2018 - 2019*

Fair Work Commission

12 April 2019

## Introduction

1. The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide a reply submission to the Fair Work Commission's (the Commission) Annual Wage Review 2018-2019 questions on notice.
2. In CCIQ's reply submission below, CCIQ responds to questions directed to CCIQ specifically, as found in paragraph 1.3 of the questions on notice paper.

## Question to CCIQ and other parties

3. ***Is it proposed that an employer in receipt of any one of the three forms of assistance would be subject to the deferral?***

3.1 The employers who are in receipt of the Special Disaster Assistance Recovery Grants (Special Recovery Grant) are the proposed employers who should be subject to the deferral. Please see paragraph 47 and 48 to CCIQ's submission.

3.2 These employers can be formally identified by looking at which employers qualify for the Special Recovery Grant. Those who qualify for the Special Recovery Grant are identified in paragraph 48 of CCIQ's submission where CCIQ indicates the local government areas that qualify and it is the businesses that fall into these areas that should be subject to the deferral.

4. ***What are the criteria by which businesses that receive the relevant DRFA assistance are identified and assessed?***

4.1 The eligibility criteria for this grant are as follows<sup>1</sup>: "To be eligible for an exceptional circumstance grant, the applicant must:

- a) be a small business owner;
- b) hold an Australian Business Number (ABN) and have held that ABN at the time of the eligible disaster;

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<sup>1</sup> Queensland Rural and Industry Development Authority, 22 March 2019  
file:///C:/Users/ovanderwagen/Downloads/Guidelines-Special-Disaster-Assistance-Recovery-Grant-Small-Business%20(1).pdf viewed 9 April 2019

- c) own a small business located in the defined disaster area for the eligible disaster that has suffered direct damage as a result of the eligible disaster;
- d) have been engaged in carrying on the small business when affected by the eligible disaster;
- e) be primarily responsible for meeting the costs claimed in the application; and
- f) intend to re-establish the small business in the defined disaster area for the eligible disaster.”

4.2 An applicant may also be eligible for an exceptional circumstance grant if both of the following apply:

- a) the small business is located outside the defined disaster area for the eligible disaster but is operated at least sometimes on a regular basis in the area; and
- b) plant or equipment of the small business situated in the defined disaster area has been damaged as a result of the eligible disaster.”

4.3 The defined disaster areas are set out in paragraph 48 of CCIQ’s submission.

5. ***Are any of the relevant forms of assistance directed to assisting businesses to pay employee wages and entitlements and/or support continuing employment?***

5.1 None of the relevant forms of assistance are directed to assisting businesses to pay employees and entitlements and/or support continuing employment except for when having to engage an employee to assist with clean up work.

5.2 The assistance is only directed at paying costs associated with cleaning and reinstatement activities such as:

- 5.2.1 hiring or leasing equipment or materials essential to clean-up or for immediately resuming business activities;
- 5.2.2 removing and disposing of debris, damaged goods and material;
- 5.2.3 repairing buildings or repairing or replacing fittings in buildings (business premises);
- 5.2.4 replacing lost or damaged stock essential for immediately resuming trading;
- 5.2.5 leasing temporary premises to resume operations;
- 5.2.6 engaging a person to clean or to conduct a safety inspection of premises; and
- 5.2.7 paying additional wages to an employee to assist with the clean-up work.

5.3 The form of assistance that this Special Recovery Grant offers is a maximum funding of \$50 000 but the funding may only be used for the costs of clean-up and reinstatement of small business which includes:

- a) “engaging a tradesperson to conduct a safety inspection of damage to a property, premises or equipment;
- b) purchasing, hiring or leasing equipment or materials to clean a property, premises or equipment;
- c) employing a person to clean a property, premises or equipment if –
  - i. the cost would not ordinarily have been incurred in the absence of the eligible disaster; or
  - ii. the cost exceeds the cost of employing a person to clean the property, premises or equipment that would ordinarily have been incurred in the absence of the eligible disaster;
- d) removing and disposing of debris or damaged goods and material;
- e) repairing a building or repairing or replacing fittings in a building, if the repair or replacement is essential for resuming operation of the small business. (Funding is not available for repairs to a building that is used as a dwelling, unless it is used for carrying on the small business, for example staff accommodation);
- f) purchasing, hiring or leasing equipment or materials that are essential for immediately resuming operation of the small business.”

5.4 It is noteworthy that the applicant is not eligible for funding under the grant for loss of income as a result of the legible disaster and the assistance does not address the broader economic impacts that the DRFA event will have on businesses.

6. ***What forms of assistance are available to directly assist employees impacted by the relevant DRFA event?***

6.1 Communities impacted by the relevant DRFA event have numerous financial assistance programs available to them. This would be extended to employees in those communities. The financial assistance includes, but it is not limited to:

- 6.1.1 funding to help cover the costs of essential items – such as food, medication and clothing – for people directly impacted by the event;
- 6.1.2 an Essential Households Contents Grant for those households who are uninsured or unable to claim insurance which provides a contribution towards replacing or

repairing essential household contents that have been lost or damaged during the disaster; and

6.1.3 a Structural Assistance Grant for those who are uninsured or unable to claim insurance which provides a once off payment as contribution towards home repairs; and

6.1.4 an Essential Services Hardship Assistance Grant for people directly impacted by a disaster to meet their immediate needs.

**7. *How would the proposed deferral impact upon the considerations in the modern awards objective (s. 134) and the minimum wages objective (s.284)?***

7.1 The overall modern award objective is to ensure that modern awards provide a fair and relevant minimum safety net of terms and conditions taking into account certain considerations such as the likely impact of any exercise of modern award powers on business, including on productivity, employment costs and regulatory burden as well as the likely impact of any exercise of modern award powers on employment growth, inflation and the sustainability, performance and competitiveness of the national economy.

7.2 The minimum wage objective for the Fair Work Committee is to establish and maintain a safety net of fair minimum wages taking into account certain considerations such as the performance and competitiveness of the national economy, including productivity, business competitiveness and viability, inflation and employment growth.

7.3 In the first instance, the granting of the proposed deferral aligns with these specific considerations as an increase in modern award minimum wages will have an adverse effect on employment growth, sustainability, performance and competitiveness of the economy for reasons detailed in CCIQ's initial submission.

7.4 Secondly, the sustainability of the economy is directly impacted by the viability of businesses and in the proposed deferral areas, the continued viability of those businesses will be hugely impacted by an increase in the modern award and minimum wages.

7.5 In providing a fair and relevant safety net, the interests of those few employees who may benefit from a modern award and minimum wage increase needs to be weighed against the interests of those employees who may lose work altogether because businesses close or cannot afford to retain all its staff due to the DRFA event and a modern award and minimum wage increase.

## Further enquiries

47 If you wish to discuss any of the contents contained herein in further detail, please contact Olivia Van der Wagen, Policy Advisor, at [ovanderwagen@cciq.com.au](mailto:ovanderwagen@cciq.com.au)