

# THREE PERCENT WAGE INCREASE ANNOUNCED

The Fair Work Commission (FWC) has announced a three percent increase to minimum wages

The increase will apply from the first full pay period starting on or after 1 July 2019.

## Who does the increase apply to?

The increase only applies to employees that get their pay rates from the national minimum wage, a modern award or in some cases a registered agreement.

## Award Free Employees

The new national minimum wage will be \$740.80 per week or \$19.49 per hour. The national minimum wage applies to employees who aren't covered by a modern award or registered agreement.

## Award Covered Employees

Most employees are covered by a modern award. Modern award rates will increase by three percent.

Employer Assist have updated pay scale summaries which will be made available to AAAA members.

If an employee is already paid above the modern award, employers may be able to absorb the increase.

However, employers will need to ensure that the employee's wage is at least equal to or better off overall compared to the employee's minimum entitlements under the modern award.

AAAA members can contact Employer Assist for assistance with these calculations.

## Enterprise Agreements

If a registered agreement applies to the workplace, employers will need to ensure the minimum base rates in the agreement remain at least equal to the modern award rates. If not, the agreement rates will need to be increased to match the new modern award rates.

## What do I need to do?

Contact Employer Assist for updated pay scale summaries and start reviewing your employee's current pay rates and prepare for the increase. Now is a perfect time for employers to roll out new employment contracts or review and update existing employment contracts.

## Employment contracts

Employment contracts are essential to any business and employers should use them as a tool to protect the interests of the business and to properly manage staff. Without employment contracts, businesses expose themselves to unnecessary and avoidable risks.

For example, an employment contract usually lists the business' expectations and standards of performance of an employee. If the employer is unhappy with the level of performance by the employee, the grounds for termination will be easier to substantiate. However, if the employee is unaware of these expectations and standards of performance, the employer may be at risk of an unfair dismissal claim.



A review of all employee contracts should be conducted to ensure that:

1. they have a contract;
2. there are no updates required to the contract;
3. they contain the following information:
  - job title and position description;
  - duties and responsibilities of the parties;
  - pay details;
  - National Employment Standards;
  - leave entitlements including procedure for taking leave;
  - flexible working arrangements available;
  - rights and obligations of the parties;
  - duration of employment (if applicable);
  - probationary period;
  - benefits offered – overtime, bonuses, severance pay etc.;
  - confidentiality, non-solicitation and restraint of trade clauses;
  - payment in lieu of notice;
  - reasons and grounds for termination;
  - notice periods;
  - any relevant industrial instrument, modern awards, national employment standards or statutory obligations; and
  - redundancy.

Employer Assist can provide assistance with drafting employment contracts which are tailored to the individual workplace or amending and updating existing contracts. Please contact Employer Assist to avoid exposing the business to any unnecessary risks.

## AAAA Member Benefits

AAAA members can contact Employer Assist on 1300 735 306 or [aaaa@employerassist.com.au](mailto:aaaa@employerassist.com.au) for information and advice on the wage increase, employment contracts or if you require any assistance with your business.

