

# ANNUAL WAGE REVIEW 2021

**The Fair Work Commission (FWC) announced a 2.5 percent increase to minimum wages following its 2020-2021 annual wage review (Decision)**

The commencement of the increase depends on which group the applicable award falls under and will apply from the first full pay period starting on or after:

- Group 1 – 1 July 2021;
- Group 2 – 1 September 2021; or
- Group 3 – 1 November 2021.

Most awards fall into Group 1 and will increase from 1 July 2021 including the Vehicle Repair, Services and Retail Award (Vehicle Award), Clerks Private Sector Award (Clerks Award) and Manufacturing and Associated Industries and Occupations Award.

Group 2 includes the General Retail Industry Award 2020 and for Group 3 includes awards where exceptional circumstances justified delayed operative dates.

## Vehicle Award

Regarding the operative date for the Vehicle Award, it was stated in the Decision:

*We acknowledge that an operative date of 1 July 2021 will mean that businesses covered by the Vehicle Repair, Services and Retail Award 2020 will face two minimum wage increases in a 6 month period. But those businesses also had the benefit of no increase in minimum wages between 1 July 2020 and 1 February 2021. Further, the timing issues is, of itself, not sufficient to warrant a finding of exceptional circumstances in light of the turnover data.*

## Award Employees

If you are already paying your employees more than the minimum award rate, you may be able to



absorb the increase depending on the particular employment arrangements.

Members can contact Employer Assist for updated pay guides and specific advice on whether absorbing an increase is possible based on individual circumstances.

## Enterprise Agreements

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

## Award Free Employees

The new national minimum wage that will apply from the first full pay period starting on or after 1 July 2021 will be \$772.60 per week or \$20.33 per hour. This constitutes an increase of \$18.80 per week to the weekly rate or 49 cents per hour to the

hourly rate. The national minimum wage applies to employees who are not covered by an award or registered agreement.

## Superannuation

Also note, the Superannuation Guarantee (SG) rate increased to 10% on 1 July 2021.

## Next Steps for Employers

AAAA members can contact Employer Assist for updated Vehicle Award and Clerks Award pay guides. Alternatively, members can download a copy from [aaaa.employerassist.com.au](http://aaaa.employerassist.com.au)

If you have not already done so, you should review your current wage arrangements with employees to determine whether the increase can be absorbed or if you need to budget for the increase.

Now is a good opportunity to review existing employment contracts to ensure they are applicable to the current work arrangements and compliant. If you do not have existing employment contracts, Employer Assist recommends implementing them for all employees.

Employer Assist can review existing employment contracts and provide members with advice on any amendments required or improvements that can be made. Employer Assist can also provide members with template employment contracts tailored to suit any individual requirements.

*This article is intended for information purposes only and should not be regarded as legal advice. Please contact Employer Assist for advice.*



## AAAA Member Benefits

If you require assistance, contact  
Employer Assist on 1300 735 306 or  
[aaaa@employerassist.com.au](mailto:aaaa@employerassist.com.au)