

2022 – 2023 ANNUAL WAGE REVIEW DECISION ANNOUNCED

5.75% Increase to National Minimum Wage (plus change to the historic alignment with C14 rate to C13 rate)
5.75% Increase to Award Minimum Wages

The Fair Work Commission (**FWC**) has announced a 5.75% increase to the national minimum wage (**NMW**) and a 5.75% increase to award minimum wages following its 2022-2023 annual wage review.

Commencement Date

The commencement of the increase will apply from the first full pay period starting on or after 1 July 2023.

Award Employees

Relevantly, increases for the Vehicle Repair, Services and Retail Award, Clerks Private Sector Award and Manufacturing and Associated Industries and Occupations Award will operate from 1 July 2023.

Employer Assist will provide access to updated pay guides once the FWC publishes the variation determinations.

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. You can contact Employer Assist for 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 NMW that will apply from the first full pay period starting on or after 1 July 2023 will be \$882.80 per week or \$23.23 per hour. That is approximately an 8.6% increase compared to the current NMW. The reason it is higher than the 5.75% increase that was announced is because the FWC decided to cease aligning the NMW with the C14 award rate and as an interim measure until a proper review is conducted, align it with the C13 rate. The 5.75% increase was applied to the current C13 rate to achieve the new NMW. The NMW applies to employees who aren't covered by an award or registered agreement.

Superannuation

The Superannuation Guarantee rate is set to increase to 11% on 1 July 2023.

Next Steps

You should keep an eye out for updated pay guides. In the meantime, you can start reviewing your current wage arrangements 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 or implement new employment contracts. Employer Assist can review existing employment contracts and provide you with advice on any amendments required or improvements that can be made. Employer Assist can also provide you with template employment contracts tailored to suit individual requirements.

If you require assistance, contact Employer Assist on **1300 735 306** or aaaa@employerassist.com.au.

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

2 June 2023