

2020-21 Annual Wage Review Decision

by Graham Lilleyman, ACWA Helpline Industrial Relations Specialist

The Fair Work Commission ('the FWC') has handed down the *2019-20 Annual Wage Review Decision*. The Decision has provided an increase in wage rates, but the increase will be implemented at differing times depending on which Modern Award applies to the employment of an employee. The difficulty in reaching the final decision is demonstrated by the fact that this Decision is the first in some 25 years where there has been a majority and not a unanimous Decision.

The **federal minimum wage** and **all Award base rates** of pay will increase by 1.75%. This equates to an increase of \$13.00 per week to \$753.80 for employees on the national minimum wage. In hourly rate terms the increase is \$0.35 cents per hour for permanent employees. The 1.75% increase must also be applied to each wage classification in each Award and as such, the amount of the increase will be higher than the minimum increase for most Award classifications which are set at higher than the minimum wage. The new federal minimum hourly rate is \$19.84 per hour. The increase in wages will flow on to employees that are less than 21 years of age proportionally depending on the junior worker provisions that are relevant to those employees.



Employers employing staff in car wash operations are typically covered under the *Vehicle Repair, Services and Retail Award 2020*. You may note that the title of this Award has changed recently. This is because the vehicle manufacturing section has been removed from this Award and transferred to another Award.

The FWC had determined that the increase will commence at different dates depending on which Modern Award applies to the employee. The Modern Awards have been broken up into three group with effective dates being 1 July 2020 for the first group of Award, 1 November 2020 for the second group and 1 February 2021 for the final group. The groupings have been determined based upon evidence provided to the FWC about the impact COVID-19 has had on the industry and/or occupations covered by the Modern Award. Inevitably there will be some debate as to why certain Awards have landed where they have, but that is how the FWC has decided to apply the increases.

The *Vehicle Repair, Services and Retail Award 2020* has been placed in **Group 3, so the increase will have effect from **1 February 2021**. A new schedule of rates will be sent out to members closer to the operative date.**

Employers are reminded that they are legally obliged to comply with minimum wage and/or Award obligations and there are severe penalties for non-compliance.

Employers using enterprise bargaining agreements or the old Australian Workplace Agreements should also ensure that they review their arrangements, because whilst awards do not generally have application to businesses that have agreements, in many cases, these industrial instruments will need to be adjusted to comply with your obligations under the EBA, AWA, or section 206 of the *Fair Work Act 2009*.

YOUR ACWA MEMBERSHIP INCLUDES IR & WAGE ADVICE



ACWA has a service agreement with **ESSA** (Employment Services & Solutions Australia) and HR Legal to provide Industrial and Wage advice to all current financial ACWA members.

***** ACWA financial members, for authorisation purposes, must provide your ACWA Membership carwash or company name and main contact name *****

In today's changing industrial environment and the introduction of modern awards by the IRC it is important for members to stay informed and comply with all conditions of employment.

ESSA will maintain an ACWA specific Phone Line and email advice line, manned by trained industrial relations consultants, during normal business hours (EST) to answer queries about:

1. current terms and conditions of employment for the industry including award coverage
2. annual wage increases,
3. changes arising from the new National Employment Standards
4. changes arising from Upcoming Modernized Awards;
5. general information regarding termination of employment and unfair dismissal (with any litigation to be referred to HR Legal);
6. general information about Discrimination, Bullying and OH&S (with any litigation to be referred to HR Legal).

Individual ACWA members will each be entitled to free telephone support per current membership year with additional work being charged at discounted rates. Support includes:

1. telephone advice (via the dedicated ACWA Phone Service) or dedicated email advice;
2. review of documentation which involves less than 15 minutes reading, the preparation of short written correspondence by email (not requiring formal legal advice).

It is anticipated that the majority of our members seeking to clarify wage rates, or get general information about agreement making and termination can obtain such advice without charge.

However, time limits will be applied where the matter requires specific detailed advice or representation, or information about past underpayment of wages.

If the advice you seek is more detailed than described above, or if you have reached the limit of your free time allocation, you will be notified in writing (by email or letter) that any additional advice will be chargeable directly to you and the charge rates will be specified.

ESSA will consult with HR Legal as required to provide professional and seamless advice.

Contact ESSA:

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