



2022/2023 ANNUAL WAGE DECISION HANDED DOWN

June 2023 ACWA Advice by Graham Lilleyman

The Fair Work Commission ('the FWC') has handed down the *2022-23 Annual Wage Review Decision* ('the Decision').

The Decision has provided a significant increase in minimum wage rates for Award classifications and in addition, it changed the basis of the federal minimum wage which means that the Decision provides the highest increase in minimum rates of pay for more than 30 years.

The **National Minimum Wage** ("the NMW") will increase by 8.65%, whilst all **Modern Award base rates** of pay will increase by 5.75%. This means that the NMW will increase to \$882.80 or \$23.23 per hour. In hourly rate terms the increase is \$1.85 cents per hour for permanent adult employees and \$2.31 for casual employees. The increase in the NMW is greater than the general Award increase because the FWC has decided for an interim period to peg the National Minimum Wage to the C13 classification in the *Manufacturing and Associated Industries and Occupations Award 2020*. Historically, the National minimum Wage has been in line with the C14 rate which provides a lower rate of pay. The FWC is intending to conduct a further review of the NMW in the near future and this could result in further changes as to how this rate is established each year.

The increase of 5.75% must also be applied to each wage classification in each Modern Award and as such, the amount of the increase may vary even within the same Modern Award. Because of the way the NMW has been adjusted this year, some employees covered under Awards will also get greater increases than the 5.75% provided by the FWC. This will typically only be those employees paid below the C13 classification in the Award system.

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 using enterprise bargaining agreements and old Australian Workplace Agreements, also need to check that the rates of pay they are paying meet the minimum obligations under section 206 of the *Fair Work Act 2009* (Cth).

Employers paying staff a salary or higher flat hourly rates of pay must ensure that the salary paid to employees is sufficient to meet your minimum Award obligations to your staff member and that the salary agreement has been recorded in writing with clear language citing which entitlements have been offset against the higher amount. Failure to adequately address these issues may result in a compliance claim being made against you.

The increase has effect from the first pay period **commencing on or after 1 July 2023**.

Superannuation Changes

Employers are also reminded that from 1 July 2023, compulsory employer funded superannuation will increase from 10.5% to 11%.

Finally

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.

Current Financial ACWA Members will be provided with updates prior to the effective date of the increase.

ACWA ESSA HelpLine: Graham Lilleyman (T) 08 9240 4230 (M) 0402 462 555 (E) glilleyman@essa.net.au



REMINDER 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, you must provide your ACWA Membership carwash or company name and main contact name at the start of the HelpLine call****

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.

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