

Roughly 2.2 million employees across Australia are set to see a pay rise following the release of the Fair Work Commission’s (FWC) Annual Wage Review.

Last year, the FWC announced a modest increase of 1.75%, with this increase implemented across awards in three tranches. This unique approach took account of industries hit by the COVID-19 pandemic, delaying the rise to 1 February 2021 for those industries hardest hit by the pandemic, including the aviation, retail and tourism industries.

As a result of the “markedly better” economic climate this year, the FWC has announced a 2.5% raise. Employees who are paid the National Minimum Wage (NMW) will see an increase of AU\$0.49 per hour, to AU\$20.33 per hour. This represents an AU\$18.80 per week increase, to a total weekly wage of AU\$772.60 per week. This is, of course, in addition and separate to the superannuation rate increasing from 9.5% to 10% from 1 July 2021 for all employees. In summary:



When Will the Increase Be Effective?

The increase in the NMW will be effective from 1 July 2021. In acknowledgement that the pandemic continues to impact some industry sectors more adversely than others, along with the ongoing economic risks linked to the pandemic, the FWC’s Expert Panel opted to again stagger the increase. The raise will be implemented across all modern awards in the following groups:

Group	Award	Date
Group 1	• All awards, other than those specified in Group 1 or Group 2 below	1 July 2021
Group 2	• General Retail Industry Award 2020	1 September 2021
Group 3	<ul style="list-style-type: none"> • Air Pilots Award 2020 • Aircraft Cabin Crew Award 2020 • Airline Operations – Ground Staff Award 2020 • Airport Employees Award 2020 • Alpine Resorts Award 2020 • Amusement, Events and Recreation Award 2020 • Dry Cleaning and Laundry Industry Award 2020 • Fitness Industry Award 2020 • Hair and Beauty Industry Award 2020 • Hospitality Industry (General) Award 2020 • Live Performance Award 2020 • Mannequins and Models Award 2020 • Marine Tourism and Charter Vessels Award 2020 • Nursery Award 2020 • Racing Clubs Events Award 2020 • Racing Ground Maintenance Award 2020 • Registered and Licensed Clubs Award 2020 • Restaurant Industry Award 2020 • Sporting Organisations Award 2020 • Travelling Shows Award 2020 • Wine Industry Award 2020 	1 November 2021

What Is the Impact for Employers?

Before 1 July 2021, relevant employers will need to take the following steps:

- Employers paying the NMW (or covered by a collective agreement that refers to the NMW) will need to implement the 2.5% increase from 1 July 2021.
- Employers paying in accordance with a modern award will need to determine which group they fall in to, and implement the increase on the date relevant to their group.

It is recommended that all employers take note of the increase and ensure that each employee is being paid at or above the new minimum rates.

If you would like further information about this increase, or assistance in determining which modern award applies to your employees, please get in touch.

Contacts



Nicola Martin

Partner, Sydney
T +61 2 8248 7836
E nicola.martin@squirepb.com



Elisa Blakers

Associate, Sydney
T +61 2 8248 7840
E elisa.blakers@squirepb.com