

FWC Annual Wage Review: National Minimum Wage and Minimum Modern Award Wage

Written by Shawn Skyring on 29 Jun 2020

The Fair Work Commission (FWC) handed down its decision on 19 June 2020 regarding the national minimum wage rate and minimum modern award wages for the new financial year, which will come into effect from 1 July 2020.

Considerations for the new figure update for the new financial year are undoubtedly different from previous financial years with the FWC stating in its Annual Wage Review decision that with the review “being undertaken during a global pandemic”, COVID-19 and the measures put in place to contain the spread has resulted in “significant shifts in the way work and society is conducted, with substantial economic consequences”.

In determining the national minimum wage and the minimum wage for modern awards, considering the current economy, the panel observed that the pandemic has casted “a large shadow over the current economic environment”. This has ultimately had a significant impact on the following figures.

National Minimum Wage

From 1 July 2020, the national minimum wage will be increased to **\$753.80** or **\$19.84** per hour (from \$740.80 per week or \$19.49 per hour).

Modern Award Minimum Wage

There will be an increase of **1.75%** to minimum wages in all modern awards.

However, due to the impact of COVID-19, the increases will be applied in a staggered approach beginning with industries who have been less affected. The 1.75% increase will occur across three different stages.

The first group (those less affected by COVID-19) will receive the increase on or after 1 July 2020 (the increase will be applied on the first full pay period from this date), the second group of industries will receive the increase from 1 November 2020 and the third group from 1 February 2021.

Modern awards in the first group (industries less affected by the pandemic) include:

- Aged Care Award 2010;
- Ambulance and Patient Transport Industry Award 2020;
- Banking, Finance and Insurance Award 2020;
- Children's Services Award 2010;
- Cleaning Services Award 2020;
- Educational Services (Schools) General Staff Award 2020;
- Educational Services (Teachers) Award 2010;
- Medical Practitioners Award 2020;
- Nurses Award 2010; and,
- Pharmacy Industry Award 2020.

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The 1.75% minimum wage increase for awards in this group will be from **1 July 2020**.

Modern awards in Group 2 include:

- Australian Government Industry Award 2016;
- Building and Construction General On-site Award 2010;
- Business Equipment Award 2020;
- Clerks—Private Sector Award 2020;
- Educational Services (Post-Secondary Education) Award 2020;
- Food, Beverage and Tobacco Manufacturing Award 2010;
- Legal Services Award 2020;
- Local Government Industry Award 2020;
- Manufacturing and Associated Industries and Occupations Award 2020;
- Miscellaneous Award 2020;
- Pharmaceutical Industry Award 2010;
- Real Estate Industry Award 2020;
- Storage Services and Wholesale Award 2020;
- Telecommunications Services Award 2010; and,
- Waste Management Award 2020.

The 1.75% minimum wage increase for awards in this group will be from **1 November 2020**.

Modern awards in Group 3 (industries who have been most adversely affected by the pandemic) include:

- Air Pilots Award 2020;
- Aircraft Cabin Crew Award 2020;
- Airline Operations-Ground Staff award 2020;
- Airport Employees Award 2020;
- Amusement, Events and Recreation Award 2020;
- Fast Food Industry Award 2010;
- Fitness Industry Award 2010;
- Hair and Beauty Industry Award 2010;
- Hospitality Industry (General) Award 2020;
- Live Performance Award 2010;

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- Registered and Licensed Clubs Award 2010;
- Restaurant Industry Award 2020; and,
- Sporting Organisations Award 2020.

The 1.75% minimum wage increase for awards in this group will be from **1 February 2021**.

You can read the full FWC decision [here](#).

It is important that you are aware of these changes, especially with the modern award minimum wage increase applying from different dates, and that as an employer you should ensure your employees are being paid correctly.

If you require assistance with any of the above changes, please do not hesitate to contact a member of Coleman Greig's Employment Law Team, who would be more than happy to assist you today.

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