

Workplace Relations Circular

For the information of members of Australian Business Industrial

CIRCULAR No.	CASE FILE No.	CIRCULAR DATE	IMPORTANT INFORMATION
2022/017	ALL MEMBER	15/06/2022	

ANNUAL WAGE REVIEW DECISION 2022

Today the Expert Panel for annual wage reviews constituted by the Fair Work Commission (**the Commission**) handed down its annual wage review decision for 2022 to increase the national minimum wage (**NMW**) by \$40 which amounts to an increase of 5.2%. The Commission also decided to increase modern award minimum wages by 4.6% subject to a minimum increase for adult award classifications of \$40 per week.

The Commission received submissions from parties representing the interests of employers and employees, the Australian Government, most state governments and other bodies. The Commission states there has been a sharp rise in the cost of living and the strengthening of the labour market. The Commission decided to provide a proportionately higher increase to low paid employees noting that the present circumstances warranted this approach.

Summary of Decision

- The **NMW** will increase by **5.2%**, which amounts to an increase of \$40 per week. This means the new NMW will be **\$812.60 per week, or \$21.38 per hour** from the start of the first full pay period on or after (ffppooa) **1 July 2022**.
- **Minimum wages in the modern awards** but for the aviation, tourism and hospitality awards, will be increased by **4.6%** from the start of the ffppooa **1 July 2021**.
- Minimum wages in the modern awards in the aviation, tourism and hospitality sectors will be increased by **4.6%** from the start of the ffppooa **1 October 2022**.

*Note: A full list of the modern awards with 1 October 2022 operative date are provided in Attachment A of this circular

- The increase to the modern award minimum wages by 4.6% is subject to a minimum increase for adult award classifications of \$40 per week (based on a 38-hour week for a full-time employee). This means modern award minimum wage rates above \$869.60 per week will receive a 4.6% increase on the operative dates above, and **any wage rates below \$869.60 per week will increase by \$40 per week from the start of the ffppooa 1 July 2022**.
- The NMW for **juniors, employees under training arrangements**, and **employees with a disability** will also increase by either **5.2% or 4.6% accordingly**.

Key Features of the Decision

Award-covered employees

Adult minimum wages

The minimum rates of pay for adult employees covered by a modern award are to be increased by 4.6% subject to a minimum increase for adult award classifications of \$40 per week (based on a 38-hour week for a full-time employee). This means modern award minimum wage rates above \$869.60 per week will receive a 4.6% increase, wage rates below \$869.60 per week will increase by \$40 per week from the start of the ffppooa 1 July 2022 or 1 October 2022 as mentioned. Weekly wages will be rounded to the nearest \$0.10.

Juniors, apprentices, trainees and piece workers

Most junior and apprentice rates are expressed as a percentage of a nominated adult rate and so the 4.6% increase will also flow through to these employees' wages.

The minimum wages for employees under formal training arrangements such as traineeships and apprenticeships will also be increased by 4.6% in accordance with the operative dates as mentioned.

Piece rates will increase in accordance with the relevant provisions in the modern award.

Employees with a disability

Most modern awards contain a supported wage system for employees with a disability. These employees are paid a percentage of the relevant adult wage, based on their assessed capacity. As a result, the 4.6% increase will also flow through to these employees. There is a minimum weekly payment (currently \$90) which will also be increased. The new minimum weekly payment was not determined today but is expected to be announced before 1 July 2022.

Award/agreement-free employees

Adult minimum wages

Award/agreement-free adult employees are covered by the NMW. This will be increased by \$40 or 5.2% to \$812.60 per week, or \$21.38 per hour from the start of the ffppooa 1 July 2022.

Casual award/agreement free employees are also covered by a default casual loading which remains at 25%.

Special national minimum wages for award/agreement free junior employees

Previous wage reviews have established a special minimum wage for award/agreement free junior employees. These employees receive a percentage of the NMW determined by the junior wage scale in the *Miscellaneous Award 2020*.

This provision will continue to apply to relevant employees and their minimum wages will increase accordingly from the start of the ffppooa 1 July 2022.

Special national minimum wages for award/agreement free employees to whom training arrangements apply

Previous wage reviews have established a special minimum wage for award/agreement free trainees and apprentices.

Award/agreement-free apprentices receive a percentage of the NMW determined by the apprentice scale in the *Miscellaneous Award 2020*. Award/agreement free adult apprentices must not receive less than the full NMW for adults.

Award/agreement free trainees must be paid in accordance with the National Training Wage, as found in Schedule E of the *Miscellaneous Award 2020*.

These provisions will continue to apply to relevant employees and minimum wages will increase accordingly.

Special national minimum wages for award/agreement free employees with a disability

The minimum rate of pay for award/agreement free employees with a disability that does not affect their work has also been increased by 5.2%. The adult minimum wage for these employees will rise to \$812.60 per week, with juniors paid a percentage of this based on the scale in the *Miscellaneous Award 2020*.

Award/agreement free employees with a disability that affects their work are paid a percentage of this amount, based on their assessed productive capacity. There is a minimum weekly payment for these employees (currently \$90) which will also be increased. The new minimum weekly payment was not determined today but is expected to be announced before 1 July 2022. Members will be advised when further information is available.

To view the summary of the decision please [click here](#).

To view the full decision please [click here](#).

Further Information

Members who are subscribed to '2010' Modern Awards will receive updates on changes to existing pay and allowance summaries outlining the impact of the wage review on the awards that apply to their business. These will be made available in due course. It should be noted that the new '2020' Modern Awards have summaries of pay rates and allowances in the Schedules contained within the awards.

Please call the Workplace Advice Line on 13 29 59 or email advice@businessaustralia.com if you wish to discuss this circular or require further information.

ATTACHMENT A

Minimum wages in the following modern awards will be increased by 4.6% from the start of the ffppooa
1 October 2022.

- *Air Pilots Award 2020*
- *Aircraft Cabin Crew Award 2020*
- *Airline Operations – Ground Staff Award 2020*
- *Airport Employees Award 2020*
- *Airservices Australia Enterprise Award 2016*
- *Alpine Resorts Award 2020*
- *Hospitality Industry (General) Award 2020*
- *Marine Tourism and Charter Vessels Award 2020*
- *Registered and Licensed Clubs Award 2020*
- *Restaurant Industry Award 2020*