

Minimum Wage Decision 2020

The Fair Work Commission has announced the minimum wage increase for 2020 which applies to all Modern awards. Minimum wages across all awards will increase by 1.75% with varying effective dates depending on which award employees are covered by.

The current exceptional circumstances are the reason for the delay in the commencement of this increase for some awards. Covid-19 has had a substantial impact on the economy and business, however, this impact has not been uniform and has impacted some areas of the economy greater than others.

Most employees are covered by an award, however, for anyone not covered by an award or an agreement, the new national minimum wage will be \$753.80 per week or \$19.84 per hour from the first full pay period after 1 July 2020.

Awards have been divided into three groups with staggered effective dates for the 1.75% increase. Group One covers employees working in frontline health care, social assistance, teachers, childcare and other essential services. Group Two covers workers in construction, manufacturing and a range of other industries. Group Three covers workers in accommodation, food services, arts, recreation services, aviation, retail and tourism.

Group One -1 July 2020	Group Two – 1 November 2020	Group Three – 1 February 2021
<ul style="list-style-type: none"> • Aboriginal Community Controlled Health Services Award • Aged Care Award • Ambulance and Patient Transport Industry Award • Banking, Finance and Insurance Award • Cemetery Industry Award • Children’s Services Award • Cleaning Services Award 	<ul style="list-style-type: none"> • Aluminium Industry Award • Animal Care and Veterinary Services Award • Aquaculture Industry Award • Architects Award • Asphalt Industry Award • Black Coal Mining Industry Award • Book Industry Award • Broadcasting, Recorded Entertainment and Cinemas Award • Building and Construction General On-site Award • Business Equipment Award • Car Parking Award • Cement, Lime and Quarrying Award • Clerks—Private Sector Award 	<ul style="list-style-type: none"> • Air Pilots Award • Aircraft Cabin Crew Award • Airline Operations-Ground Staff Award • Airport Employees Award • Alpine Resorts Award • Amusement, Events and Recreation Award • Commercial Sales Award • Dry Cleaning and Laundry Industry Award

<ul style="list-style-type: none"> • Corrections and Detention (Private Sector) Award • Educational Services (Schools) General Staff Award • Educational Services (Teachers) Award • Electrical Power Industry Award • Fire Fighting Industry Award • Funeral Industry Award • Gas Industry Award • Health Professionals and Support Services Award • Medical Practitioners Award • Nurses Award • Pharmacy Industry Award • Social, Community, Home Care and Disability Services Industry Award • State Government Agencies Award • Water Industry Award 	<ul style="list-style-type: none"> • Coal Export Terminals Award • Concrete Products Award • Contract Call Centres Award • Cotton Ginning Award • Dredging Industry Award • Educational Services (Post-Secondary Education) Award • Electrical, Electronic and Communications Contracting Award • Food, Beverage and Tobacco Manufacturing Award • Gardening and Landscaping Services Award • Graphic Arts, Printing and Publishing Award • Higher Education Industry-Academic Staff-Award • Higher Education Industry-General Staff-Award • Horticulture Award • Hydrocarbons Field Geologists Award • Hydrocarbons Industry (Upstream) Award • Joinery and Building Trades Award • Journalists Published Media Award • Labour Market Assistance Industry Award • Legal Services Award • Local Government Industry Award • Manufacturing and Associated Industries and Occupations Award • Marine Towage Award • Maritime Offshore Oil and Gas Award • Market and Social Research Award • Meat Industry Award • Mining Industry Award • Miscellaneous Award • Mobile Crane Hiring Award • Oil Refining and Manufacturing Award • Passenger Vehicle Transportation Award • Pastoral Award • Pest Control Industry Award • Pharmaceutical Industry Award • Plumbing and Fire Sprinklers Award • Port Authorities Award 	<ul style="list-style-type: none"> • Fast Food Industry Award • Fitness Industry Award • General Retail Industry Award • Hair and Beauty Industry Award • Horse and Greyhound Training Award • Hospitality Industry (General) Award • Live Performance Award • Mannequins and Models Award • Marine Tourism and Charter Vessels Award • Nursery Award • Professional Diving Industry (Recreational) Award • Racing Clubs Events Award • Racing Industry Ground Maintenance Award • Registered and Licensed Clubs Award • Restaurant Industry Award • Sporting Organisations Award • Travelling Shows Award • Vehicle Repair, Services and Retail Award • Wine Industry Award
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	<ul style="list-style-type: none"> • Ports, Harbours and Enclosed Water Vessels Award • Poultry Processing Award • Premixed Concrete Award • Professional Diving Industry (Industrial) Award • Professional Employees Award • Rail Industry Award • Real Estate Industry Award • Road Transport (Long Distance Operations) Award • Road Transport and Distribution Award • Salt Industry Award • Seafood Processing Award • Seagoing Industry Award • Security Services Award • Silviculture Award • Stevedoring Industry Award • Storage Services and Wholesale Award • Sugar Industry Award • Supported Employment Services Award • Surveying Award • Telecommunications Services Award • Textile, Clothing, Footwear and Associated Industries Award • Timber Industry Award • Transport (Cash in Transit) Award • Waste Management Award • Wool Storage, Sampling and Testing Award 	
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The Fair Work Commission will continue to work on updating the pay rates and awards. Impact HR will keep you updated as more information becomes available about awards relating specifically to your business's circumstances.

This pay increase only applies to those who are paid the minimum rate under the award, if an employee receives more than the minimum, they do not automatically receive a 1.75% increase in wage or salary. If you are paying an employee an annualised wage or salary you will need to ensure that you are still paying them above the required level once you take into account this increase of 1.75%.



A note about Job Keeper

Regardless of whether your employees are being paid Job Keeper or not, the new minimum wage still applies.

Allowances

As some allowances are expressed as a percentage of the standard rate (a rate for a specific level within the award), these allowances may also need to be increased.

What do you need to do?

1. Determine the award/s your employees are covered by
2. Determine which group your awards fall into and when this change is effective
3. Determine if you need to increase salaries and wages by 1.75% or if you are already paying above the required amount
4. Review any allowances paid to determine if these also need to be increased as they are expressed as a percentage of the standard rate
5. Review any annualised salary/wage arrangements in place to ensure the employee remains better off under these agreements

As always Impact HR are here to support you with all of your HR needs, please reach out to one of the HR consultants should you wish to discuss the above changes or any other HR matters.