

ALERT

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Annual Wage Review

The Fair Work Commission (**Commission**) has today handed down its Annual Wage Review decision and proposals for the national minimum wage order.

The Commission considered a range of factors in determining that modern award wages should adopt a **2.6 per cent** increase (with weekly wages being rounded to the nearest 10 cents).

The national minimum wage will increase to \$622.20 per week (or \$16.37 per hour), constituting an increase of \$15.80 per week or 41 cents per hour.

The increase will come into operation on 1 July 2013.

This is the third year running in which the result of the Annual Wage Review has led to a percentage-based increase (as opposed to the earlier period of flat-dollar rises).

The Commission noted a number of factors that supported an increase that would result in a small improvement in the real value of modern award minimum wages in 2013-14. The introduction of an increased superannuation guarantee rate was a moderating factor in considering the adjustment that should be made to minimum wages, but the Commission refused to quantify its

effects (simply stating that the increase in modern award minimum wages and the national minimum wage were lower than they would have been otherwise in the absence of an increase to the superannuation guarantee rate).

The decision also stated that the national minimum wage order will contain:

- a. two special national minimum wages for award/agreement free employees with disabilities (for employees with a disability whose productivity is not affected, the employee will be entitled to the national minimum wage, and for employees whose productivity is affected, to an assessment under the supported wage system, subject to a minimum payment fixed under the Supported Wage System Schedule);
- b. wages provisions for award/agreement free junior employees based on the percentages for juniors in the Miscellaneous Award 2010 applied to the national minimum wage;
- c. the apprentice wage provisions and the National Training Wage Schedule (for trainees) in the Miscellaneous Award 2010 for award/agreement free employees to whom training arrangements apply, incorporated by reference and including

a provision that adult apprentices should not receive less than the national minimum wage; and

- d. a casual loading of 24 per cent for award/agreement free employees (casual loadings for award employees is unchanged).



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