

# WHAT DO THE WAGE RATE CHANGES MEAN FOR YOU?

The recent changes to wage rates apply to all employees covered by modern awards, enterprise awards, as well as award free employees.



## What are the 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 3.3% from 1 July 2017. 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 3.3% increase will also flow through to these employees' wages.
- Most trainees are covered by the National Training Wage system that is included as a schedule in nearly all modern awards. National Training Wages will also be increased by 3.3% from 1 July 2017.
- Piece rates will increase in accordance with the relevant provisions in the modern award, pay scale or transitional 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 3.3% increase will also flow through to these employees. There is a minimum weekly payment (currently \$82) which will also be increased. The new minimum weekly payment was not determined today but is expected to be announced before 1 July. Members will be advised when further information is available.

## Award/agreement free employees

### Adult minimum wages

- Award/agreement free adult employees are covered by the national minimum wage. This will be increased by \$18.29 to \$694.90 per week (or \$18.29 per hour) from July 2017.
- 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 national minimum wage determined by the junior wage scale in the Miscellaneous Award 2010.
- This provision will continue to apply to relevant employees and their minimum wages will increase accordingly.
- 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 national minimum wage determined by the

apprentice scale in the Miscellaneous Award 2010. Award/agreement free adult apprentices must not receive less than the full national minimum wage 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 2010.
- 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 3.3%. The adult minimum wage for these employees will rise to \$694.90 per week, with juniors paid a percentage of this based on the scale in the Miscellaneous Award 2010.
- 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 \$82) which will also be increased.



### Summary of decision

Minimum wages in modern awards will be increased by 3.3% from the first full pay period commencing on or after 1 July 2017.

This increase can be absorbed into existing over award payments, as per the absorption clause in the applicable modern award.

The 3.3% increase will also apply to the national minimum wage, increasing it by \$22.20 to \$694.90 per week, or \$18.29 per hour.

The national minimum wages for juniors, employees under training arrangements, and employees with a disability have also been increased by 3.3%.

## Further information

Navigate through these changes by calling the Free Employer Advice Line on 1300 496 955.

\*This is a complimentary factsheet

