

National Minimum Wage Decision

The Minimum Wage Panel ("Panel") has today handed down its tenth minimum wage decision which increased the National Minimum Wage, together with all Modern Award minimum rates of pay, by 3.0%.

The ACTU called for a \$43.15 a week increase arguing it was incumbent on the Panel make a decision that would lead the market and make meaningful progress towards the living wage.

However, the Panel advised the 3.0% increase more closely reflects a moderate increase based on economic indicators now pointing to a healthy national economic environment, strong employment growth and no adverse employment effects have been identified as a result of the previous two decision wage decisions.

From 1 July 2019, the National Minimum Wage will increase to \$740.80 per week, or \$19.49 per hour. Minimum wages under the *Health Professionals and Support Services Award*, *Nurses Award* and *Medical Practitioners Award* will also increase by 3.0%.

What this means for you:

- i. Employers who pay their employees at the National Minimum Wage or Modern Award rates of pay will need to apply the increase in the first full pay period commencing on or after 1 July 2019;
- ii. Employers who currently pay above National Minimum Wage or Modern Award rates of pay are not obliged by this decision to increase their rates of pay, but need to ensure their rates remain at least as beneficial, once the increase is applied; and
- iii. Employers who pay under enterprise agreements must ensure that the base rates in those agreements remain at least equal to the new minimum Modern Award rates.

Annualised Salaries and Individual Flexibility Agreements

If you have implemented Individual Flexibility Agreements, you will need to reassess those agreements to ensure employees remain "better off overall" when compared to the newly increased Modern Award rates.

If you pay any of your employees under annualised salary arrangements you will need to conduct an audit of those annualised salaries against the new Award rates and working patterns to ensure the annual salary compensates for award entitlements.

The AAPM HR Advisory Service are currently updating the wage tables and aim to have the updated tables to members in the coming weeks.

If you have any questions regarding this alert please call phone the AAPM HR Advisory Service on 1800 196 000.