



Fair Work Commission - Minimum Wage to Increase by 3.3%

Date : June 27, 2017

Background

On 6 June 2017, The Fair Work Commission announced a 3.3% increase to the national minimum wage and minimum award wages.

The Fair Work Commission Decision

In essence:

- The national minimum wage will now be **\$694.90 per week**, or **\$18.29 per hour**
- This is an increase of \$22.20 per week to the weekly rate and 59 cents per hour to the hourly rate
- The changes will be effective 1 July 2017

Fair Work Commission's Reasoning – Economics & Worker Poverty

- The Fair Work Act required the Fair Work Commission to take into account economic considerations
- However, they were satisfied that the level of increase decided upon would not lead to inflationary pressure and would be highly unlikely to have any measureable impact on employment or lead to job losses
- They based these conclusions on findings that productivity growth has risen sharply and profit growth had been "particularly strong" in 2016 compared to previous years. Consequently, business conditions were positive and above long-term averages
- The Fair Work Commission concluded that increasing the minimum wage would improve the relative living standards of those employees who are reliant on the national minimum wage, lifting the lowest-paid out of poverty
- However, they did acknowledge that the increase would not lift all-award reliant employees out of poverty, especially those households that have dependent children and a single-wage earners

Tips for Employers

Our **Matthews Folbigg Workplace Solutions** employment law team recommends employers:

- review these employment law changes
- seek the assistance of an employment lawyer to understand the impacts of this Fair Work Commission decision
- ensure employment contracts and employment law policies comply with relevant employment laws, Fair Work Commission decisions, common law employment law



principles and contractual obligations

- update employment contracts in response to this employment law change
- raise any employment law questions with an employment lawyer
- damages can apply for breaches of employment laws including Awards and enterprise agreements (which an employment lawyer can advise on)

More Information

Please call the leading employment lawyers in Parramatta, the **Matthews Folbigg Workplace Solutions** employment law team on **9635-7966** to speak with one of our employment lawyers.