

Fair Work Commission minimum wage increase

On 2 June 2023, the Fair Work Commission handed down its [Annual Wage Review 2022-23 Decision](#) (Decision), awarding increases to both the National Minimum Wage and minimum wage rates under modern awards (including the *Vehicle Repair, Services and Retail Award 2020* (VRSR Award) and the *Clerks Private Sector Award 2020*).

VACC is disappointed that the balanced and responsible approach advocated by employer groups of a 3.5% increase has been ignored, with the Decision disregarding concerns over the inflationary impact and exacerbation of cost-of-living pressures. Coupled with the 0.5% increase to the Superannuation Guarantee from 1 July 2023, the Decision is a significant impost for small business in particular.

Increase to modern award minimum wage rates

The Decision awards an increase to modern award minimum wages of **5.75%**.

The 2023 wage increase applies from the **first full pay period commencing on or after 1 July 2023**.

As the wage increase will apply to minimum award rates of pay only, **the minimum wage increase may be fully absorbed into any existing over-award rates of pay**.

Proportionate increases will flow on to junior employees and employees to whom training arrangements apply (apprentices and trainees), employees with a disability and casual employees.

Increase to the National Minimum Wage

The Decision awards an effective **8.6%** increase to the National Minimum Wage (NMW), which applies to employees **not** covered by a modern award or enterprise agreement. The increase is the result of the Decision ending the longstanding alignment between the NMW and the C14 modern award wage rate (raising it to the C13 rate) and then applying the 5.75% increase in line with the modern award minimum wage increase.

The NMW will increase as set out below and applies from the first full pay period commencing on or after 1 July 2023:

<i>Current National Minimum Wage</i>	<i>New National Minimum Wage</i>
\$21.38 per hour	\$23.23 per hour
\$812.60 per week	\$882.80 per week

New Wages Guides

VACC will update the current Wages Guides and email them to all members and upload copies on the VACC website at www.vacc.com.au by **1 July 2023**, after the Fair Work Commission issues formal determinations varying the modern awards.

In the interim, members seeking further information are encouraged to contact the Workplace Relations team on 03 9829 1123 or ir@vacc.com.au.

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