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Annual Wage Increase 2020

Fair Work Commission awards an annual wage increase of 1.75% to be phased in over three separate operative dates based on award groups.

On 19 June 2020, the Fair Work Commission awarded a 1.75 % increase to all minimum award rates of pay based on a 38-hour week. In taking account of the current economic circumstances due to the pandemic crisis the Annual Wage Bench departed from its normal approach of awarding a minimum wage increase across all awards effective from a common operative date of 1 July. In this decision the Annual Wage Bench split the 1.75% minimum wage increase across three award groupings to become operative on three separate dates.

For the automotive industry the relevant operative dates of the increase are:

- **Clerks - Private Sector Award 2020** - the minimum award wage increase applies from the first full pay period commencing on or after **1 November 2020**.
- **Manufacturing and Associated Industries and Occupations Award 2020** - the minimum award wage increase applies from the first full pay period commencing on or after **1 November 2020**
Note: this award **ONLY** applies to businesses which prior to 29 May 2020 were covered in Section 2 of the Vehicle Manufacturing, Repair, Services and Retail Award 2010.
- **Vehicle Repair, Services and Retail Award 2020** - the minimum award wage increase applies from the first full pay period commencing on or after **1 February 2021**.

The Federal Minimum Wage will increase as set out below:

Current Federal Minimum Wage	New Federal Minimum Wage
\$19.49 per hour	\$19.84 per hour
\$740.80 per week	\$ 753.80 per week

All other minimum award rates of pay will also increase by 1.75% per week from the above dates.

As the wage increase will apply to minimum award rates of pay only, the minimum wage increases will 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.

New Wages Guides

VACC will update the Wage Guides for Clerical employees for Victoria and Tasmania and they will be emailed to members by **19 October 2020**, as well as revised minimum award rates of pay for businesses covered by the Manufacturing and Associated Industries and Occupations Award 2020.

The new Wages Guides will also be put on the VACC website at www.vacc.com.au by 19 October 2020.



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