

The top 5 things you need to know about the minimum wage increase



If you're looking to hire your first employee or are in the process of growing your team, here's some things you need to know about Australia's 2024 minimum wage increase.

What is the minimum wage?

The minimum wage refers to the amount an employee is paid before tax is deducted. The current minimum wage for full-time and part-time employees in Australia is \$23.23 per hour and came into effect from 1 July 2023. The minimum wage increased by 3.75% to \$24.10 per hour and applies from 1 July 2024.

Did you know in Australia, rates of pay increase every year?

Each financial year between March and June the Fair Work Commission reviews the National Minimum Wage and minimum rates of pay in modern awards. This review is to decide whether there should be an increase in pay and how much that increase should be. Any change to the minimum wage or awards usually comes into effect on 1 July.

Are you aware Australia has 121 different modern awards?

To effectively manage staff costs you need to understand the award that applies to your employees. A modern award sets out the minimum terms and conditions of employment on top of the National Employment Standards (NES). Modern awards are industry or occupation-based and apply to all employees covered by the national workplace relations system.

Modern awards provide entitlements such as:

- Pay
- Breaks
- Penalty rates
- Hours of work
- Allowances
- Overtime
- Rosters

Did you know you can pay above but not below the minimum wage?

As an employer you can choose to pay your employees above the minimum wage, but it is illegal to pay below the minimum wage or award. Even if an employee agrees. Paying less than the minimum wage or award could result in appearing before a court or tribunal and receiving a severe penalty. In some jurisdictions, criminal penalties may apply. Employees and former employees can also lodge an underpayment claim within six years of the alleged underpayment.

How can you prepare your business for the increase?

Employsure can provide special award guides with comprehensive information to help ensure you pay your employees correctly. You can also leverage our letters and templates to assist you in updating employee contracts and advising your employees of their new rates of pay. Preparing early for the changes will save you time and reduce the stress of implementing the changes when they occur.

As an employer, it's essential you stay up to date with any award or minimum wage changes to ensure you pay all your staff correctly. For advice and guidance on the correct wage and award rates for your employees in your industry, call the Employsure team on 1300 265 242.

