

WORKPLACE WRAP - JUNE 2022

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Australia Labour, Employment and Workplace Safety Alert

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As we approach 1 July 2022, a number of the key financial thresholds relating to employees will increase.

We have prepared a handy key thresholds table for the 2022/2023 financial year for employers. [Click here](#) to view the key thresholds table.

From 1 July 2022, the **national minimum wage** will increase by 5.2 percent.

Award minimum wages will rise by 4.6 percent, subject to a minimum rise of AU\$40 per week for full time employees. Most awards will increase from 1 July 2022. A small number of awards, where the Fair Work Commission has deemed there to be exceptional circumstances, will instead increase from 1 October 2022.

The awards that will increase from 1 October 2022 are:

- *Air Pilots Award 2020*
- *Aircraft Cabin Crew Award 2002*
- *Airline Operations - Ground Staff Award 2020*
- *Airport Employees Award 2020*
- *Airservices Australia Enterprise Award 2016*
- *Alpine Resorts Award 2020*
- *Hospitality Industry (General) Award 2020*
- *Marine Tourism and Charter Vessels Award 2020*
- *Registered and Licensed Clubs Award 2020*
- *Restaurant Industry Award 2020.*

From 1 July 2022, the superannuation guarantee rate will increase to 10.5 percent.

The changes will apply from the first full pay period starting on or after 1 July 2022.

In another superannuation change, the AU\$450 per month super guarantee threshold will be removed from 1 July 2022. This is a major change meaning that employers will be required to make super guarantee contributions for all eligible employees regardless of what the employee is paid. Employees will still be required to satisfy other super guarantee eligibility requirements in order to receive employer contributions to their superannuation where relevant, such as working a minimum of 30 hours per week for employees aged under 18 years.

The Fair Work Act's high income threshold will also be indexed and from 1 July 2022 will be increased to AU\$162,000. Non-award covered employees who earn in excess of AU\$162,000 will be unable to bring an unfair dismissal claim.

WHAT YOU SHOULD BE DOING FROM 1 JULY

Employers should:

- Review annualised salary arrangements to ensure that the annualised wage rate is sufficient to meet or exceed the employees' minimum award/minimum wage entitlements taking into account the 4.6 percent to 5.2% percent increase.
- Update payroll systems and processes to ensure the increased wages and superannuation contribution are paid from the first full pay period starting on or after 1 July 2022.
- Review enterprise agreement pay rates (where applicable) and ensure the pay rates do not fall below the applicable modern award base rate or the national minimum wage (as applicable).
- Ensure all employees who are eligible are being paid the appropriate super guarantee.
- Be mindful of the new high income threshold of AU\$162,000.

CAN WE HELP?

If you have any questions about the effect of the 1 July 2022 threshold increases on your payment obligations as an employer, please contact our Labour, Employment and Workplace Safety team.

KEY CONTACTS



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