

# Prepare for 1 July - Key changes to workplace laws

June 28, 2023

On 1 July 2023, a range of changes to workplace laws commence that will impact on employers in a range of areas

## Minimum wage increases

On 2 June 2023, the Fair Work Commission Minimum Wage Panel **determined** that from the first full pay period after 1 July 2023:

- Minimum rates of pay for adult full-time employees covered by modern awards will increase by **5.75%**
- The national minimum wage for an award-free adult employee will increase to **AU\$882.80 per week**, or AU\$23.23 per hour
- The decision also impacts allowance and expense amounts referred to in modern awards.

## Casual loadings

The casual loading in modern awards will remain at 25%. It is important that employers carefully consider their obligations under section 15A of the *Fair Work Act 2009* (Cth) which defines “casual employee”.

## Enterprise agreements

Employers who have an enterprise agreement in operation (even if it has passed its nominal expiry date) must ensure that the base rate of pay in the agreement does not result in any employee being paid less than the relevant modern award pay rate or, if no award applies, the national minimum wage.

## Increase to the high-income threshold and compensation limit

In addition to increases to minimum wages, from July 1, 2023, two other important monetary figures will increase:

- The high-income threshold increases from AU\$162,000 to **AU\$167,500**. This amount affects how a modern award applies to an employee and affects an employee's access to the unfair dismissal jurisdiction of the Fair Work Commission.
- The compensation limit under unfair dismissal laws also increases from AU\$81,000 to **AU\$83,750**. The compensation limit is the maximum compensation available to an employee successful in an unfair dismissal claim.

## Superannuation guarantee contributions

The superannuation guarantee is legislated to increase from 10.5% to 11% on 1 July 2023. Employers will need to consider how this will impact the remuneration arrangements of their employees.

## Take away points

Employers need to be aware of the changes discussed in this article when determining wages, assessing unfair dismissal eligibility and workplace law compliance. Seek advice if unsure of your obligations.

## Your Key Contacts



**Paul O'Halloran**

Partner and Head of Office,  
Melbourne

D +613 9620 2223

[paul.ohalloran@dentons.com](mailto:paul.ohalloran@dentons.com)



**Nicholas Linke**

Partner, Adelaide

D +61 8 8233 0628

[nick.linke@dentons.com](mailto:nick.linke@dentons.com)



**Ruth Nocka**

Partner, Sydney

D +61 2 9931 4744

[ruth.nocka@dentons.com](mailto:ruth.nocka@dentons.com)