

## Minimum Wages

### Overview

A minimum wage is an employee's base rate of pay for ordinary hours worked. It is generally dependent on the industrial instrument that applies to their employment. For example, a modern award or registered agreement.

Employees cannot be paid less than their applicable minimum wage, even if they agree to it.

### Who determines minimum wages?

Every year, the Fair Work Commission's (FWC) Expert Panels review the minimum wages received by employees in the national workplace relations system.

The review considers:

- written submissions from interested organisations and individuals
- consultations before the Expert Panels
- research commissioned by the Expert Panels.

At the conclusion of this review, a national minimum wage order is made which will apply from the first full pay period on or after 1 July each year.

### What is a national minimum wage order?

A national minimum wage order outlines the minimum wage for award and agreement-free employees.

The national minimum wage order must set the following wages for award or agreement-free employees:

- a national minimum wage for adults
- a special national minimum wage for:
  - trainees, apprentices and junior employees
  - employees to whom training arrangements apply
  - employees with a disability
- a casual loading.

For further information about the Annual Wage Review and the National Minimum Wage Order, see sections 285–299 of the Fair Work Act.

### What is the current national minimum wage?

The national minimum wage is currently \$21.38 per hour or \$812.60 per 38 hour week (before tax).

Casual employees covered by the national minimum wage also get at least a 25% casual loading.

For award and agreement-free employees, the percentage scale in the Miscellaneous Award is applied to the national minimum wage.

### Employees covered by a modern award

Most employees in the national workplace system are covered by a modern award. These contain the minimum wage, as well as other terms and conditions, for employees in particular industries and occupations.

Some awards can have transitional arrangements as determined by the FWC. Employers and employees should check their relevant modern award(s) to determine if transitional arrangements apply.

Minimum wages under modern awards may include:

- wages rates for adults, in some cases, at different rates according to experience and qualifications
- wage rates for juniors, employees with a disability, and employees to whom training arrangements apply
- casual loadings
- piece rates.

For further information on modern awards, go to our [Modern awards fact sheet](https://www.fairwork.gov.au/factsheets) at [fairwork.gov.au/factsheets](https://www.fairwork.gov.au/factsheets)

To find out the minimum wage under a modern award, you can use our [Pay Calculator](https://www.fairwork.gov.au/pact) at [fairwork.gov.au/pact](https://www.fairwork.gov.au/pact)

## CONTACT US

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The Fair Work Ombudsman is committed to providing you with advice that you can rely on. The information contained in this fact sheet is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or a workplace relations professional.

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