

Key changes to employment rates and thresholds

From 1 July 2025

Employment and Industrial Relations

As we approach a new financial year, employers should be aware that some rates and thresholds will change. We've summarised the key numbers for you and your business below.

	High income threshold
The high-income threshold is relevant to an employee's entitlements (such as eligibility to claim unfair dismissal, carve outs of the fixed-term contract prohibitions, and high income guarantees). It is also relevant to eligibility for digital labour or road transport contractors' eligibility to claim unfair termination or deactivation.	
New threshold	\$183,100 p/a
	Unfair dismissal compensation cap
The maximum compensation for unfair dismissal has also increased (note the maximum will still be calculated as 50% of the employee's 26 weeks' pay, if that is less).	
New compensation cap	\$91,550
	National Minimum Wage
The Fair Work Commission has awarded a 3.5% increase in the national minimum wage. A variation of this increase will flow through to most modern awards and potentially other industrial instruments. Check your applicable instrument(s) and update payroll processes.	
Per week	\$948.00
Per hour	\$24.95
	Superannuation Guarantee Rate
The minimum rate of superannuation, based on ordinary time earnings, subject to any different requirement under an industrial instrument.	
New rate	12%
	Maximum superannuation contribution base
This threshold limits the amount of superannuation contribution that an employer is required to make under the Superannuation Guarantee scheme per week.	
New base figure	\$7,500 per quarter
	Government paid parental leave increase
From 1 July 2025, Government paid parental leave will increase to 24 weeks. Subject to a work test and income test for the employee, superannuation will now also be paid on Government paid parental leave.	

Key changes to employment rates and thresholds (cont)

↑ Maximum for civil penalties contraventions

While these amounts aren't scheduled to change from 1 July 2025, we thought we'd take this opportunity to remind you of some amendments to penalties surrounding underpayments that recently commenced.

From 1 January 2025, civil penalties for accidental, inadvertent or genuinely mistaken underpayments of wages or other entitlements substantially increased under the Fair Work Act.

Maximum penalty	Corporation (15+ employees)	\$495,000
	Corporation	\$99,000
	Individual	\$19,800
Maximum penalty (serious contravention)	Corporation (15+ employees)	\$4,950,000
	Corporation	\$990,000
	Individual	\$198,000

↑\$ Maximum civil penalties for wage theft

Where underpayments are intention, there are now criminal penalties available under the recently commenced Federal wage theft laws.

Maximum penalty	Corporation	Greater of \$8.25 million or three times the wage underpayment
	Individual	Greater of \$1.65 million or three times the wage underpayment, and/or Up to 10 years imprisonment

If you have any questions about these changes, or face difficult workplace or industrial relations issues, please contact our Employment team at McInnes Wilson.

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