

STATEMENT

Fair Work Act 2009 s.285—Annual wage review

Annual Wage Review 2024–25 (C2025/1)

JUSTICE HATCHER, PRESIDENT

MELBOURNE, 13 DECEMBER 2024

Annual Wage Review 2024–25 – timetable and draft research program.

Timetable

[1] The *Fair Work Act 2009* (Cth) (FW Act) provides that, each financial year, the Commission must conduct and complete an annual wage review in which it must review modern award minimum wages and review the national minimum wage (NMW) order, may make one or more determinations varying modern awards to set, vary or revoke modern award minimum wages and must make a NMW order. The timetable for the Annual Wage Review 2024–25 (2024–25 Review) will be as follows:

Date	Event
4 April 2025	Closing date for lodging initial and/or post-Budget submissions ²
18–21 April 2025	Easter
2 May 2025	Closing date for lodging reply submissions and any submissions relating to data or research published after 4 April 2025
9 May 2025	Closing date for expressions of interest in taking part in consultations
16 May 2025	Closing date for lodging supplementary submissions relating to data or research published after 2 May 2025
21 May 2025	Consultations – Sydney

Draft Research Program

- [2] The research program published for the Annual Wage Review 2023–24 (2023–24 Review) included topics for future research that would be the basis for research over the medium term. In the <u>Statement</u> announcing the draft research program, I noted that this would not preclude additional topics to be put forward by parties or the Expert Panel for consideration in later Reviews.³
- [3] The draft research program for the 2024–25 Review is provided at Attachment A for comment. With the release of the Australian Bureau of Statistics (ABS) Survey of Employee Earnings and Hours (EEH) microdata for May 2023 earlier this year, it is timely to publish 'A profile update of employee characteristics on modern awards' listed as part of the future research program. An update on research undertaken in the Annual Wage Review 2016–17 on 'Award-reliant workers in the household income distribution' will also be published and has been extended to include additional analysis of employees who are both award reliant and low paid. The program also contains the Statistical report and Research reference list.
- [4] In the 2023–24 Review decision, the Expert Panel stated that a research project concerning the history of the *Aircraft Cabin Crew Award 2020* 'might assist in informing any future proceedings to vary that award'.⁵ This project will form part of the research program for the 2024–25 Review.
- [5] The Expert Panel also stated that the Commission would explore opportunities for a research project 'to gain a better understanding as to the modern awards and classification levels which predominantly apply to modern award-reliant employees who are low paid, and the earnings which employees can realistically expect to obtain at various award classification levels inclusive of additional payments such as allowances, loadings and penalty rates.' A 'future research' topic listed in the research program for the 2023–24 Review contemplated engaging with the ABS to explore opportunities to use and link various data sources to undertake research topics. The ABS Business Longitudinal Analysis Data Environment (BLADE) combines information from ABS surveys, such as the EEH, and administrative data over time to provide a better understanding of Australian businesses and the economy. Future research may consider upcoming developments in the BLADE or other datasets that may include the disaggregation of pay information, such as allowances and overtime to produce more robust research findings. An assessment of available data and an evaluation of research methods to undertake this topic will be explored following the 2024–25 Review.
- [6] Submissions regarding the draft research program for the 2024–25 Review should be made by **4:00 pm (AEDT) on Monday, 23 December 2024** and can be filed electronically to awr@fwc.gov.au.
- [7] All submissions will be posted to the Commission's website.



PRESIDENT



ATTACHMENT A

ANNUAL WAGE REVIEW 2024–25 — Draft Research Program

Statistical report

This will follow the format of previous Statistical reports and will be updated throughout the 2024–25 Review as new data are released. Each version of the Statistical report will be available on the Commission's website.

Research reference list

This will follow the format of previous Research reference lists and will include Australian and international literature, such as working papers, journal articles or other types of published reports that may be relevant to the minimum wages and modern awards objectives. The list will initially cover literature published following the Annual Wage Review 2023–24 and be updated throughout the 2024–25 Review.

Research reports

A profile update of employee characteristics on modern awards

Following the publication of the Australian Bureau of Statistics' Survey of Employee, Earnings and Hours (EEH) microdata for the reference period May 2023, the report will update some of the analysis undertaken in the report <u>A profile of employee characteristics across modern awards</u> that used EEH microdata for May 2021 and also present analysis relating to the low paid, juniors and pay equity.

Award-reliant employees in the household income distribution: an update

The report will update previous research undertaken by the Commission on <u>Award-reliant</u> <u>workers in the household income distribution</u> using recent data from the latest Household, Income and Labour Dynamics in Australia survey. The research will provide insight into the location and characteristics of award-reliant employees across the employee household income distribution. As an extension to this research, a focus on employees who are both low-paid and award-reliant will also be included.

History of the Aircraft Cabin Crew Award 2020

In the Annual Wage Review 2023–24 decision, the Expert Panel announced that the Fair Work Commission would conduct research into the history of the *Aircraft Cabin Crew Award* 2020 (ACC Award). This research will identify, as far as possible from available materials, the origin of classifications and minimum rates in the *Aircraft Cabin Crew Award* 2020. The history will trace the development of significant pre-modern awards, identify wage-fixing and/or work value assessments and note where variations were made by consent.

Future research

How have households in financial stress coped with the rising cost of living?

The rise in the cost of living may have varying impacts on households at different points of the income distribution. Using data including from the Household, Income and Labour Dynamics in Australia (HILDA) Survey, the research will analyse if, and how, employee households across the distribution have adapted to the higher cost of living in recent years. Responses by these households may be through changes to expenditure patterns or changes in income through job switching or taking on multiple jobs. A focus of the research will be on those households considered to be in financial stress, as identified in the Statistical report.

Access to secure work: evidence from Australia

The Fair Work Legislation Amendment (Secure Jobs Better Pay) Act made changes to the objects of the Fair Work Act, as well as the modern awards objective and minimum wages objective. The reference to 'job security' was considered and applied in the Annual Wage Review 2022–23. This research will consider indicators of and trends in secure work in Australia.

Business performance and characteristics

The Commission will engage with the Australian Bureau of Statistics to explore opportunities to use and link various data sources to undertake research topics that focus on the characteristics and performance of businesses, in particular, award-reliant businesses, if data permitting.

Research proposals and expectant projects will be communicated in due course.

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¹ Fair Work Act 2009 (Cth) s 285.

² See Parliamentary Sittings 2025.

³ [2023] FWC 3384 at [2].

⁴ Carlos Jiminez and David Rozenbes, <u>Award-reliant workers in the household income distribution</u>, Fair Work Commission Research Report 1/2017, February.

⁵ [2024] FWCFB 3500 [129].

⁶ Ibid [84].

⁷ See Australian Bureau of Statistics, *Microdata and TableBuilder: Business Longitudinal Analysis Data Environment, BLADE*, viewed 24 October 2024.