



STATEMENT

Fair Work Act 2009
s.285—Annual wage review

Annual Wage Review 2023–24 (C2024/1)

JUSTICE HATCHER, PRESIDENT

SYDNEY, 15 DECEMBER 2023

DRAFT RESEARCH PROGRAM

[1] The *Fair Work Act 2009* (Cth) provides that, each financial year, the Commission must conduct and complete an annual wage review (Review) in which the Commission: must review modern award minimum wages; must 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.¹

[2] For each Review, a draft research program is confirmed that outlines information requested by the Expert Panel to consider as part of that review. For this Review, we have set out a forward research program containing a series of topics that will be the basis for research over the medium term. The timing in which these topics will be explored is not yet determined and further scoping will be undertaken. Further, the confirmation of these topics does not preclude additional topics to be put forward by parties or the Expert Panel for consideration in later Reviews.

[3] The draft research program for the Annual Wage Review 2023–24 is provided at Attachment A for comment. For the forthcoming Review, it lists research on the ‘Characteristics of employees on the National Minimum Wage’ and Stage 1 and Stage 2 research on Gender pay equity as outlined in the President’s Statement issued in [November](#) and [December](#). The program also contains the Statistical report and Research reference list.

[4] Submissions regarding the draft research program, for the Annual Wage Review 2023–24 and over the medium term, should be made by close of business on **22 December 2023** and can be filed electronically at awr@fwc.gov.au.

[5] All submissions will be posted to the Commission’s website.



PRESIDENT

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<PR769526>

Attachment A



Annual Wage Review 2023–24 —Draft Research Program

Statistical report

This will follow the format of previous Statistical reports and will be updated throughout the 2023–24 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 2022–23 and be updated throughout the 2023–24 Review.

Research reports

Characteristics of employees on the National Minimum Wage

Fair Work Commission

The national minimum wage applies to award/agreement free employees. In the [Annual Wage Review Decision 2022–23](#), the Expert Panel stated ‘[t]he proportion of the Australian employee workforce which is award/agreement free and to which the NMW wage rate applies (‘NMW-reliant’) is small. Based on 2021 data, it appears that only 0.7 per cent of the employee workforce falls into this category and thus would be directly affected by any adjustment made to the NMW. Beyond this data, it is difficult to identify in practical terms any occupations or industries in which NMW-reliant employees are engaged. In previous Commission proceedings, parties have been unable to identify with precision any such award free employees.’²

In light of this and the Expert Panel’s alignment of the NMW to the C13 rate in the *Manufacturing and Associated Industries and Occupations Award 2020*, the Expert Panel announced that ‘[a] wider review, including supporting research, concerning the needs and circumstances of low-paid award/agreement free employees is required’.³ [8]

This research will explore the characteristics of award-free employees on the National Minimum Wage using the Australian Bureau of Statistics’ Survey of Employee Earnings and

Hours. It is presently anticipated that this research will be published by the end of February 2024.

Stage 1 report: Gender-based Occupational Segregation: A National Data Profile

Natasha Cortis, Yuvisthi Naidoo, Melissa Wong & Bruce Bradbury (Social Policy Research Centre at the University of New South Wales)

The report examines current patterns of segregation in Australia using a data-driven approach. The UNSW researchers analysed data from the Australian Bureau of Statistics 2021 Census and the 2021 Survey of Employee Earnings and Hours. The researchers identified 144 detailed occupational classifications of any size where women comprised of over 60% of the workforce, and together employed nearly 4.7 million workers. However, the report focuses on a subset of 29 priority occupations that meet 3 criteria in that they were:

- large (containing over 10,000 people)
- highly feminised occupations (over 80% female) and
- in feminised industries (over 60% female)

Together, these large, highly feminised occupations in feminised industries employ over 1.1 million workers, constituting over 9% of the workforce. The report suggests that there are 13 modern awards used to set pay in these 29 large, highly feminised occupations.

See Stage 1 report at: [Gender pay equity research | Fair Work Commission \(fwc.gov.au\): Gender-based Occupational Segregation: A National Data Profile \(pdf\) & Additional data \(Excel\)](https://www.fwc.gov.au/gender-based-occupational-segregation-a-national-data-profile)

Stage 2 report: Gender pay equity research

Fair Work Commission

As outlined in the President's [Statement](#) issued on 5 December 2023, Stage 2 of the Commission's research project will examine the 12 of the 13 modern awards identified in the Stage 1 report (except the *Aged Care Award 2010*, which is currently the subject of separate work value proceedings) that are used to set pay in highly feminised occupations that were identified within feminised industries.

The report will identify the history of wage fixing and work value assessments in each of the 12 modern awards in order to aid the identification of any indicia of gender undervaluation. These indicia might include the lack of a work value exercise undertaken by the Commission, inadequate application of equal pay principles and the making of consent awards and agreements.

The report will examine the history of these awards to determine whether the Commission (or its predecessors, or, where relevant, State tribunals) has ever undertaken a comprehensive work value assessment of classifications within the awards. The award histories are expected to cover:

- any 4 yearly review or other post-award modernisation matters considering wages;
- the award modernisation process;

- the development of pre-modern federal awards; and
- the development of any state-based awards where relevant

The report will be published in April 2024.

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.

A profile update of employee characteristics on modern awards

Following the publication of the Australian Bureau of Statistics' Survey of Employee, Earnings and Hours for the reference period May 2023, the report [A profile of employee characteristics across modern awards](#) will be updated using microdata expected to be later in the year.

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.

¹ Fair Work Act, s. 285.

² [\[2023\] FWCFB 3500](#) at [47]

³ [\[2023\] FWCFB 3500](#) at [8]