



Fair Work
Commission

Information note— Award-dependent wages in the economy

16 April 2024

The table below updates Table 1 from the Annual Wage Review 2022–23 decision,¹ which calculated the proportion of wages paid to modern award-reliant employees within the total wages bill, using data on award-reliant employees for 2023. The previous method was based on research by Jericho and Stanford, which has been updated for 2023.²

Detailed microdata is required to calculate the proportion of employees who are *modern* award reliant. These data will not be available to analyse until June. In order to calculate an approximate wages bill of modern award-reliant employees using currently available data, the same ratio of modern award-reliant to award-reliant employees is applied. In Yuen and Tomlinson (2023), it was determined that almost 90 per cent of award-reliant employees were paid by a modern award.³ This proportion is applied to the 2.9 million employees who are award reliant, resulting in 2.6 million modern award-reliant employees (or 20.7 per cent of all employees).

¹ [2023] FWCFB 3500 at [49]

² Jericho G & Stanford J (2024), [The irrelevance of minimum wages to future inflation](#), Centre for Future Work, The Australia Institute, March.

³ Yuen K & Tomlinson J (2023), [A profile of employee characteristics across modern awards](#), Fair Work Commission Research Report 1/2023, March, p. 13. There were 2.37 million modern award-reliant employees and 2.66 million award-reliant employees in 2021.



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A similar approach is applied to the average weekly wage of modern award-reliant employees. In 2022, the average weekly wage of modern award-reliant employees was found to be 88.2 per cent of the average weekly wage of all award-reliant employees.

Compared with the results for 2022 (Table 2), the share of employees covered by modern awards is slightly higher, while the share of the total wages bill is slightly lower, as is the average wage.

Table 1: Award-dependent wages in the total economy, modern award-reliant employees, 2023

	Number	Share total (%)	Share GDP (%)
Workers covered by modern awards (millions, 2023)	2.60	20.7*	-
Average wage, modern award-reliant employees (\$ per week, 2023)	762.6	51.2	-
Wage bill covered by modern award-reliant employees (\$billion per year, 2023)	103.2	10.6	-
Total compensation covered by modern award-reliant employees (\$billion per year)	128.0	-	4.9

Note: Total compensation of employees and GDP is based on the June quarter 2023, annualised, as per Jericho and Stanford (2024). *Same proportion of modern award-reliant to total award-reliant employees applied from 2021 as number of modern award-reliant employees is not yet known for 2023.

Source: ABS, *Employee Earnings and Hours, Australia*, May 2023; ABS, *Australian National Accounts: National Income, Expenditure and Product*, December 2023; Jericho G & Stanford J (2024), [The irrelevance of minimum wages to future inflation](#), Centre for Future Work, The Australia Institute, March.

Table 2: Award-dependent wages in the total economy, modern award-reliant employees, 2022

	Number	Share total (%)	Share GDP (%)
Workers covered by modern awards (millions, 2021)	2.37	20.5	-
Average wage, modern award-reliant employees (\$ per week, 2021)	749.2	53.7	-
Wage bill covered by modern award-reliant employees (\$billion per year)	94.3	11.2	-
Total compensation covered by modern award-reliant employees (\$billion per year)	123.6	-	5.0

Note: Total compensation of employees and GDP are based on the sum of the four quarters for calendar year 2022.

Source: Fair Work Commission, [Information note – Replicating Table 1 from Jericho & Stanford \(2023\)](#), additional information for the Annual Wage Review 2022–23, 15 May 2023.