



# STATEMENT

*Fair Work Act 2009*

s.285—Annual wage reviews to be conducted

## **Annual Wage Review 2021–22** (C2022/1)

JUSTICE ROSS, PRESIDENT  
VICE PRESIDENT CATANZARITI  
DEPUTY PRESIDENT ASBURY  
COMMISSIONER HAMPTON  
MR FERGUSON  
PROFESSOR WOODEN  
MS LABINE-ROMAIN

MELBOURNE 26 MAY 2022

### **TIMING OF WAGE INCREASES**

[1] A number of parties submitted that there are exceptional circumstances that justify a delay to increases in modern award minimum wages in the *Annual Wage Review 2021–22*.

[2] Ai Group proposed a delayed operative date for relevant awards in the aviation and tourism sector, accommodation and food services, arts and recreation services and the retail trade sectors.<sup>1</sup> Ai Group also submitted that the delayed increase be ‘consistent with the approach in last year’s Annual Wage Review decision’ as exceptional circumstances still exist in these industries.<sup>2</sup>

[3] Similarly, ACCI submitted that increases to minimum wages in modern awards mapped to the aviation and tourism, accommodation and food services, arts and recreation services as well as some retail sectors, should be delayed until 1 November 2022.<sup>3</sup> This position was also supported by the Australian Chamber – Tourism.<sup>4</sup> ACCI argued that ‘there is the same or proximate degree of exceptionality in the current, 2022–23 economic circumstances that justifies the exercise of discretion’.<sup>5</sup> ACCI further submitted:

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<sup>1</sup> Ai Group submission, 1 April 2022 at p. 5.

<sup>2</sup> Ai Group submission in reply, 10 May 2022 at p. 2.

<sup>3</sup> ACCI submission in reply, 10 May 2022 at paras 21, 29, 58.

<sup>4</sup> Australian Chamber – Tourism submission, 1 April 2022 at p. 10.

<sup>5</sup> ACCI submission in reply, 10 May 2022 at para. 23.

‘Even if the industries in question were not subject to delayed increases in either of the past reviews, the Panel should take into account relevant evidence that justifies a departure from the general rule of applying modern award wage increases from July 1 that may not have been readily available or apparent to the Panel or other industry associations, such as ACCI, at the time of those reviews. Submissions that argue for new delayed increases for certain sectors or awards should therefore not be simply dismissed because those arguments were not raised or accepted in previous recent reviews.’<sup>6</sup>

[4] ABI submitted that staggered dates for wage increases should continue ‘in line with last year’s approach’<sup>7</sup> and to realign wage increases for all modern awards on 1 July 2023.<sup>8</sup> R&CA submitted that any increase should take effect from 12 months after the previous increase.<sup>9</sup>

[5] Several parties were opposed to delayed increases.

[6] The Victorian Government submitted that current circumstances do not support a delay to any increase.<sup>10</sup>

[7] The ACTU submitted that all increases to modern award minimum wages should take effect from 1 July 2022 as ‘there are no “exceptional circumstances” that are evident’.<sup>11</sup> The ACTU was not persuaded by the submissions of those parties seeking a delayed increase.<sup>12</sup> The ASU and SDA also submitted that any suggestions to delay an increase ‘should be rejected’.<sup>13</sup> ACCER submitted that ‘there is no basis for delaying increases to the NMW [National Minimum Wage]’ as the delays in the last two Reviews were to address impacts of the COVID-19 pandemic.<sup>14</sup>

[8] Attached to this Statement is an information note prepared by staff of the Commission presenting data on the labour market and business performance of industries since the last Review. This note follows on from the research reports undertaken by Professor Jeff Borland of the University of Melbourne as part of the research program for the last Review. At the end of the information note is a conclusion written by Professor Borland discussing changes to the industry clusters since his final report published in June 2021.

[9] Parties are invited to make submissions on the material presented in the information note as part of their submissions regarding the National Accounts for the March quarter 2022. Those submissions are due to be filed by 3 June 2022.

## PRESIDENT

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<sup>6</sup> ACCI submission in reply, 10 May 2022 at para. 27.

<sup>7</sup> ABI submission, 1 April 2022 at pp. 2, 3.

<sup>8</sup> ABI submission, 1 April 2022 at pp. 27, 29.

<sup>9</sup> R&CA submission, 28 March 2022 at para. 24.

<sup>10</sup> Victorian Government submission, 31 March 2022 at para. 6.

<sup>11</sup> ACTU submission, 1 April 2022 at para. 233.

<sup>12</sup> ACTU submission in reply, 8 May 2022 at para. 3.

<sup>13</sup> ASU submission, 1 April 2022 at p. 10; SDA submission, 1 April 2022 at para. 16.

<sup>14</sup> ACCER submission in reply, 10 May 2022 at para. 47.

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