

ANNUAL WAGE REVIEW 2022-23

SUBMISSION OF AUSTRALIAN BUSINESS INDUSTRIAL AND BUSINESS NSW (NSW BUSINESS CHAMBER LTD)

31 March 2023

About ABI and Business NSW (NSW Business Chamber Ltd)

Australian Business Industrial (ABI) is registered under the *Fair Work (Registered Organisations) Act 2009* and has around 3,000 members. NSW Business Chamber Ltd (trading as Business NSW) is registered under the (NSW) *Industrial Relations Act 1996* and is a State registered association recognised pursuant to Schedule 2 of the *Fair Work (Registered Organisations) Act 2009*. As NSW's peak business organisation, Business NSW has more than 40,000 member businesses across NSW.

ABI is comprised of Business NSW members who specifically seek membership of a federally registered organisation.

This submission has been approved by the Council of ABI on behalf of its members and endorsed by the workplace policy committee of Business NSW.

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1. Executive Summary

Recommendation:

That the Expert Panel determine a 3.5 per cent increase in the 2022-23 Annual Wage Review, in addition to the Superannuation Guarantee increase of 0.5 per cent from 1 July 2023.

Both the minimum wages objective and the modern awards objective require that, as part of the Annual Wage Review, the Expert Panel take into account the 'relative living standards and the needs of the low paid'.

In addition to those considerations, the Panel is also required to take into account the needs of businesses by way of 'the performance and competitiveness of the national economy, including productivity, business competitiveness and viability, inflation and employment growth'.

Achieving a balance between the needs of the low paid without adversely affecting the performance and competitiveness of the economy, in the highest inflationary environment since 1990, will be a significant challenge this year.

Providing a minimum wage increase that matches inflation at a time when inflation is not expected to continue at this historically high rate, will penalise businesses when increasing costs are already hurting businesses significantly. Further, the relationship between wages and prices can be the mechanism by which high inflation persists.

Our suggested approach to this year's decision is therefore to consider productivity growth and expected inflation.

Accordingly, in our submission, we focus on two key factors to determine a reasonable rate of growth in the minimum wage and modern awards:

- **labour productivity growth** – whereby higher outputs justify higher wages but higher wages without higher outputs can result in sustained inflation
- **inflation rate** – indication of the rising cost of living experienced by workers and businesses.

Data indicates that labour productivity is falling. The June 2022 quarter saw a decline of 2.9 per cent in productivity, while the December 2022 quarter experienced another drop of 1.4 per cent. Consequently, the current quarterly GDP per hour worked has almost fallen back to pre-pandemic levels at the end of 2019.

If real wage growth exceeds labour productivity growth, businesses are likely to raise prices as compensation, leading to sustained inflation.

While there have been significant increases in the cost of living and the cost of doing business recently, inflation likely peaked in the December 2022 quarter and both the RBA and Treasury forecast inflation to ease over the next year. We have therefore based our recommended increase on the forecast inflation rate of 3.6 per cent by June 2024.

Other factors we have taken into consideration when developing our recommendation include:

- **overall performance of the Australian economy**, including business confidence and expected performance in NSW; and
- the increase in the **Superannuation Guarantee**.

Australia's economic growth started to slow in the second half of 2022. Although GDP increased for the fifth consecutive quarter in December, the quarterly growth rate of 0.5 per cent marks the second consecutive quarter of economic slowdown. It is clear that the Australian economy is decelerating as the pressures of higher interest rates and high inflation weigh on household spending and investment. There are also some signs that the labour market is starting to weaken.

While there has been some media comment regarding business profits, data (such as the ABS Monthly Business Turnover) indicates that the economy has already reached a turning point. Further, it does not appear that Small and Medium-sized Enterprises (SME) are achieving similar profits.

Our NSW Business Conditions Survey, undertaken in February 2023, found that business confidence remained firmly in negative territory. Of concern, close to 30 per cent of businesses indicated that they may not have enough business activity to survive 2023 and 22 per cent of businesses indicated that they are considering reducing staff numbers in the upcoming quarter. Businesses, on average, considered the rising cost of doing business as the greatest barrier to operating at their full potential, out-ranking issues such as worker shortages or supply chain disruptions.

Of note, the NSW Government's half-yearly Budget Review also identified that the NSW economy faces significant headwinds, with lower than anticipated growth in 2022-23 and further moderation through to 2024-25 as the full impact of monetary policy tightening is felt, resulting in decreasing household spending.

Our final consideration is the increase in the Superannuation Guarantee by a further 0.5 per cent from 1 July 2024. While this is a deferred benefit for employees, it is a cost to employers *now* and should be a key consideration when determining this (and any other) year's increase in the NMW.

Given the above, it is our recommendation that a 3.5 per cent increase would be appropriate in the current economic environment, in addition to the 0.5 per cent Superannuation Guarantee increase due on 1 July 2023.

Such an increase should be non-inflationary and can be borne by employers without adding additional stress to input costs, while providing employees with some compensation for inflation. It is our view that an increase in line with the current inflation rate would pose a real risk of significant adverse effects to the national economy.

Foreword: Statutory considerations

When considering whether to vary (set or revoke) minimum award wages, the Panel must take into account economic factors referenced under the Minimum Wages Objective, the Modern Awards Objective and the general matters prescribed under the object of the Act.

Section 284 of the Act sets out the Minimum Wages Objective which requires the Commission to establish and maintain a safety net of fair minimum wages, taking into account:

- (a) the performance and competitiveness of the national economy, including productivity, business competitiveness and viability, inflation and employment growth; and
- (b) promoting social inclusion through increased workforce participation; and
- (c) relative living standards and the needs of the low paid; and
- (d) the principle of equal remuneration for work of equal or comparable value; and
- (e) providing a comprehensive range of fair minimum wages to junior employees, employees to whom training arrangements apply and employees with a disability.

Further, section 134 sets out the modern awards objective which requires the Commission to ensure that modern awards, together with the National Employment Standards, provide a fair and relevant minimum safety net of terms and conditions, taking into account:

- (a) relative living standards and the needs of the low paid; and
- (b) the need to encourage collective bargaining; and
- (c) the need to promote social inclusion through increased workforce participation; and
- (d) the need to promote flexible modern work practices and the efficient and productive performance of work; and
- (da) the need to provide additional remuneration for:
 - (i) employees working overtime; or
 - (ii) employees working unsocial, irregular or unpredictable hours; or
 - (iii) employees working on weekends or public holidays; or
 - (iv) employees working shifts; and
- (e) the principle of equal remuneration for work of equal or comparable value; and
- (f) the likely impact of any exercise of modern award powers on business, including on productivity, employment costs and the regulatory burden; and
- (g) the need to ensure a simple, easy to understand, stable and sustainable modern award system for Australia that avoids unnecessary overlap of modern awards; and
- (h) the likely impact of any exercise of modern award powers on employment growth, inflation and the sustainability, performance and competitiveness of the national economy.

In line with this legislation, the Panel must therefore take into account the performance and competitiveness of the national economy and the likely impact of any exercise of modern award powers on business.

It should be noted that the broader objects of the Act include the promotion of productivity and economic growth for Australia's future economic prosperity.

Guide to this submission

This submission is divided into three parts. Part I examines the relevant empirical evidence on the economy and labour market including the needs of the low paid and the effects of low inflation, Part II summarises the evidence and provides our recommendations and Part III considers the modern award groupings from last year's Annual Wage Review.

Note on terminology

This submission refers to a change to the 'minimum wage', 'minimum wages' or the NMW in the context of what the Panel might consider with respect to both the NMW and modern award minimum wages. That is, any reference should be viewed as referring to the totality of implications associated with changes to modern award minimum wages and other wages impacted by the AWR decision.

Part I — Economic and labour market considerations

The macroeconomic environment

Australia’s economic growth started to slow in the second half of 2022. Although GDP increased for the fifth consecutive quarter in December, the quarterly growth rate of 0.5 per cent marks the second consecutive quarter of economic slowdown, from the September quarter’s growth rate of 0.7 per cent and the June quarter’s growth rate of 0.9 per cent (Table 1).

The December quarter also had the slowest year-on-year GDP growth rate in 2022, which came in at 2.7 per cent (Table 1). The Australian economy is decelerating as the pressures of higher interest rates and high inflation weigh on household spending and investment.

Table 1: Key macroeconomic indicators

	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022
GDP growth (% change, quarterly)	3.7	0.6	0.9	0.7	0.5
GDP growth (% change, through the year)	4.6	3.0	3.1	5.9	2.7

Note: Data are seasonally adjusted.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, December 2022*, Catalogue No. 5206.0

Similar to GDP growth, household consumption slowed during the second half of 2022 (Table 2). The increase of 0.3 per cent in the December quarter was a significant slowdown from the September quarter’s growth rate of 1 per cent and the June quarter’s growth rate of 2.2 per cent. Total consumption growth, including both household and government sectors, also decelerated for five consecutive quarters (Table 2), with its contribution to GDP growth diminishing every quarter in 2022 (Chart 1).

Investment, including both private and public sectors, has made limited contributions to economic growth in recent quarters (Chart 1). After contributing 0.2 percentage points to quarterly GDP growth in the March quarter of 2022, investment made no contributions during the June and September quarters. In the December quarter, it detracted 0.3 percentage points from GDP growth, as public investment fell 0.7% per cent while private investment declined by 1.7 per cent (Table 2). In particular, private business investment was down 1.4 per cent, the first decline in two-and-a-half years (Chart 2).

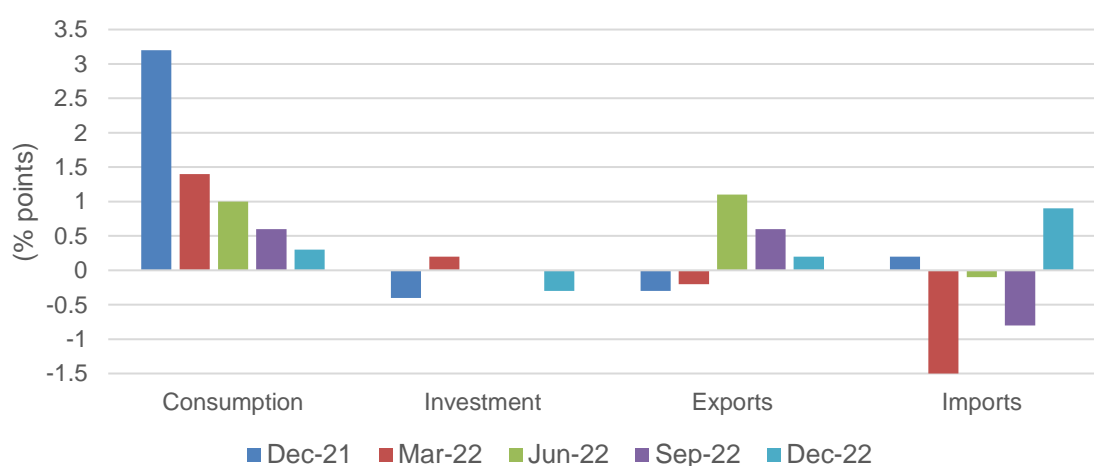
Table 2: Quarterly growth of GDP components (%)

	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022
Consumption	4.7	2.1	1.2	0.7	0.4
<i>Government consumption</i>	1.2	2.7	-1.1	0.2	0.6
<i>Household consumption</i>	6.3	1.8	2.2	1	0.3
Investment	-0.7	0.5	0.5	0.1	-1.4
<i>Private investment</i>	-0.4	0.1	-0.9	1.2	-1.7
<i>Public investment</i>	-1.5	1.9	5.2	-3.5	-0.7
Domestic final demand	3.4	1.7	1	0.6	0
Exports	-0.2	-1.1	5.2	2.5	1.1
Imports	1.5	11.1	1.4	4	-4.3

Note: Data are seasonally adjusted.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, December 2022*, Catalogue No. 5206.0

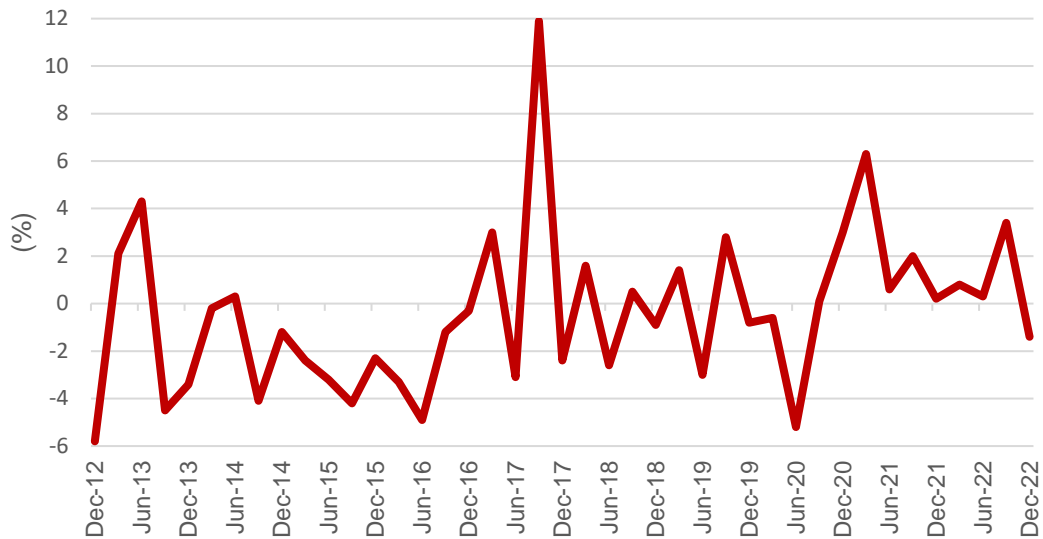
Chart 1: Contribution to GDP growth



Note: Data are seasonally adjusted. Consumption includes government and household consumption. Investment includes private and public investment.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, December 2022*, Catalogue No. 5206.0

Chart 2: Quarterly change in private business investment



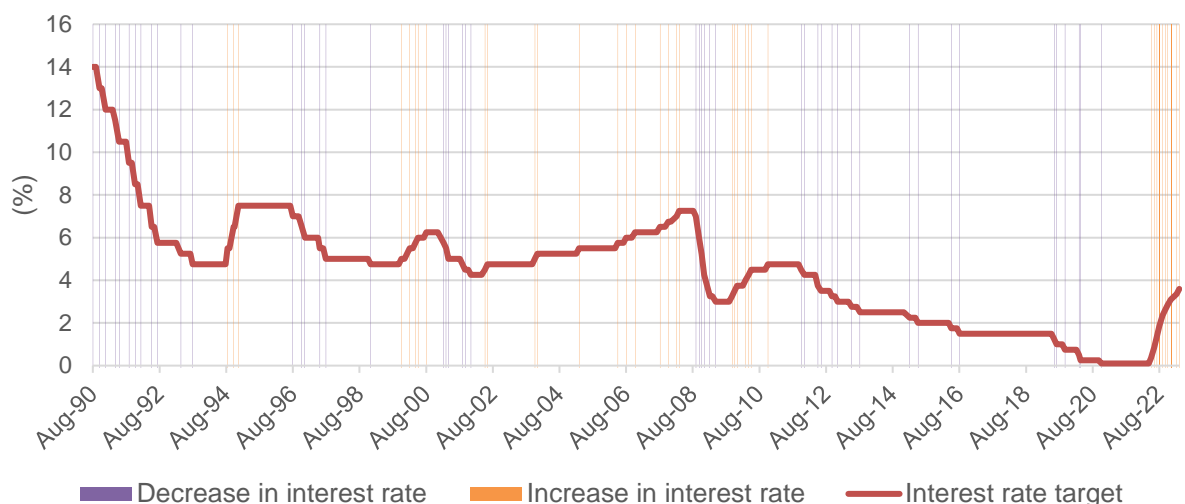
Note: Data are seasonally adjusted.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, December 2022*, Catalogue No. 5206.0

Net exports provided a strong contribution to GDP growth during the final quarter of 2022. Exports grew by 1.1 per cent compared to the previous quarter (Table 2), contributing 0.2 percentage points to GDP growth (Chart 1). Imports decreased by 4.3 per cent (Table 2), leading to a contribution of 0.9 percentage points to GDP growth (Chart 1).

On 7 March 2023, the RBA announced the tenth successive increase to its cash rate target to counter high inflation. The increase of 25 basis points brings the cash rate target to 3.6 per cent, the highest in 11 years (Chart 2).

Chart 3: RBA cash rate target



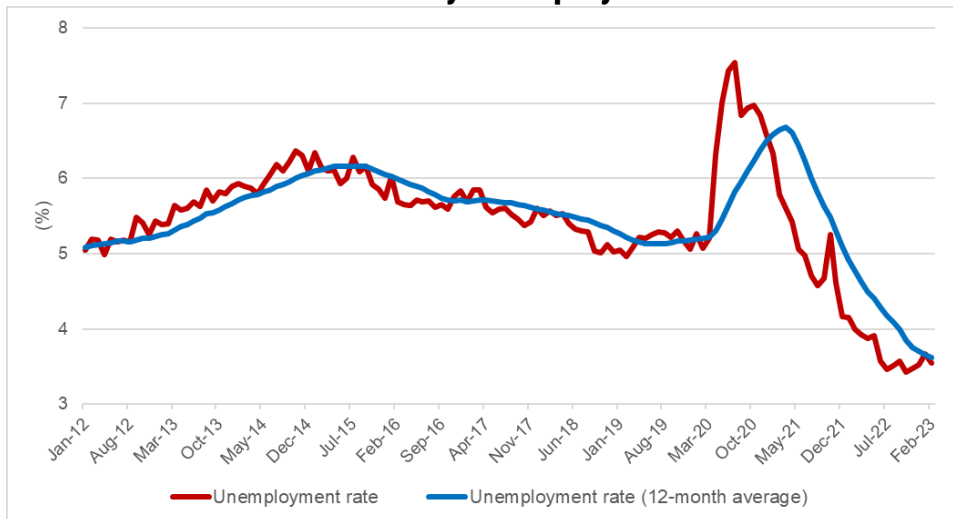
Source: RBA, *Cash Rate Target*.

In the most recent statement on the interest rate hike, the RBA recognised that there would be a lag in the impact on the economy from the cumulative interest rate increases. Consequently, the economy's growth, primarily through the slowdown in consumption and investment, could continue to be impacted.

The labour market

The monthly unemployment rate was on a downward trend through 2022 (Chart 4). Despite a slight increase to 3.7 per cent in January 2023, the unemployment rate appears to have stabilised around 3.5 per cent. Given the lagged impact of the cumulative interest rate hikes and the recent slowdown in GDP growth, an upward trend for the unemployment rate is expected to emerge in 2023.

Chart 4: Monthly unemployment rate

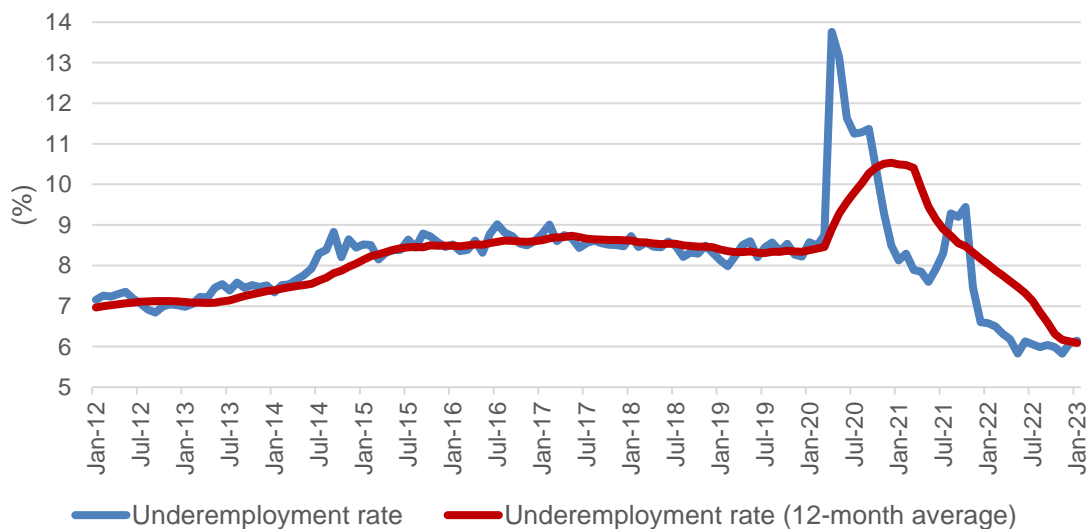


Note: Data are seasonally adjusted.

Source: ABS, *Labour Force, Australia, January 2023*, Catalogue No. 6202.0

The monthly underemployment rate decreased during the first half of 2022 before stabilising at around 6 per cent (Chart 5). However, it appears to have bottomed out, rising to 6.1 per cent in December 2022 and January 2023. This is another sign that the labour market has started loosening.

Chart 5: Monthly underemployment rate



Note: Data are seasonally adjusted.

Source: ABS, *Labour Force, Australia, January 2023*, Catalogue No. 6202.0

While the unemployment rate reached historic lows of almost fifty years, growth in labour productivity (measured through changes in quarterly GDP per hour worked) has slowed in 2022. The June 2022 quarter saw a decline of 2.9 per cent in productivity, while the December 2022 quarter experienced another drop of 1.4 per cent (Table 3). Consequently, the current quarterly GDP per hour worked has almost fallen back to pre-pandemic levels at the end of 2019 (Chart 6). Meanwhile, the quarterly unit labour cost (measured as the average labour cost against average labour productivity) experienced a decline during the first half of 2022 but has since rebounded (Table 3).

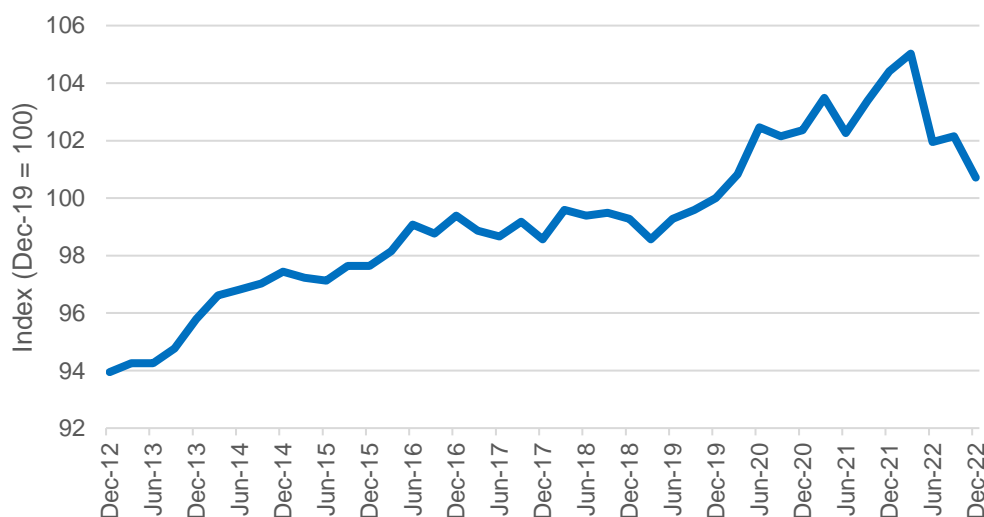
Table 3: Quarterly change in labour productivity measures (%)

	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022
GDP per hour worked	1.0	0.5	-2.9	0.2	-1.4
Real unit labour costs	-0.8	-2.3	-1.3	1.7	0.1

Note: Data are seasonally adjusted.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, December 2022*, Catalogue No. 5206.0

Chart 6: Quarterly GDP per hour worked (index)



Note: Data are seasonally adjusted.

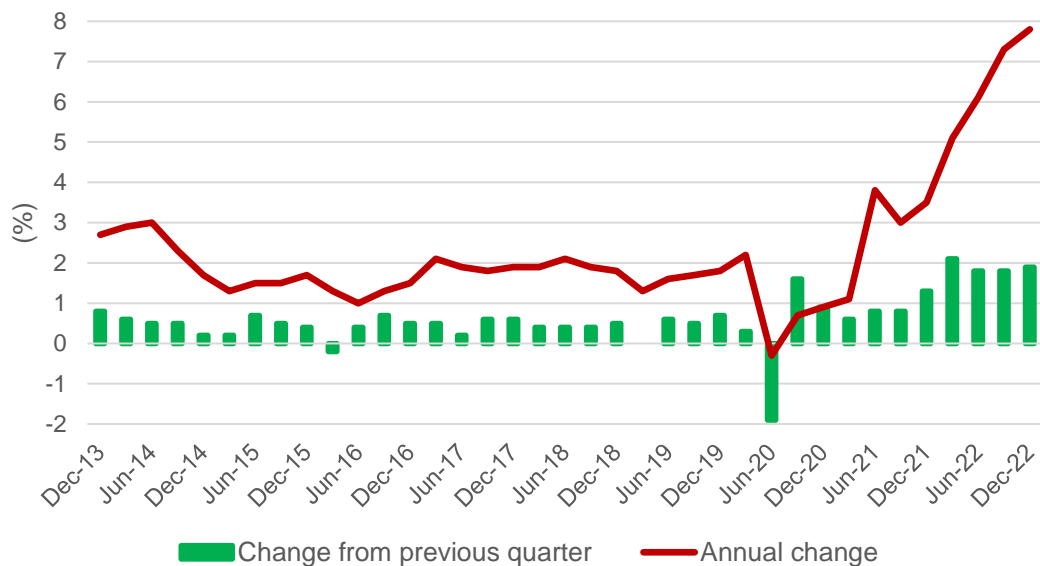
Source: Business NSW calculation based on data from ABS, *Australian National Accounts: National Income, Expenditure and Product, December 2022*, Catalogue No. 5206.0

Inflation and wages growth

Following the disruptions of the COVID-19 pandemic and the war in Ukraine, inflation has become a dominant economic concern. The annual inflation rate, measured through the consumer price index (CPI), accelerated notably through 2022 and reached 7.8 per cent in the December quarter (Chart 7).

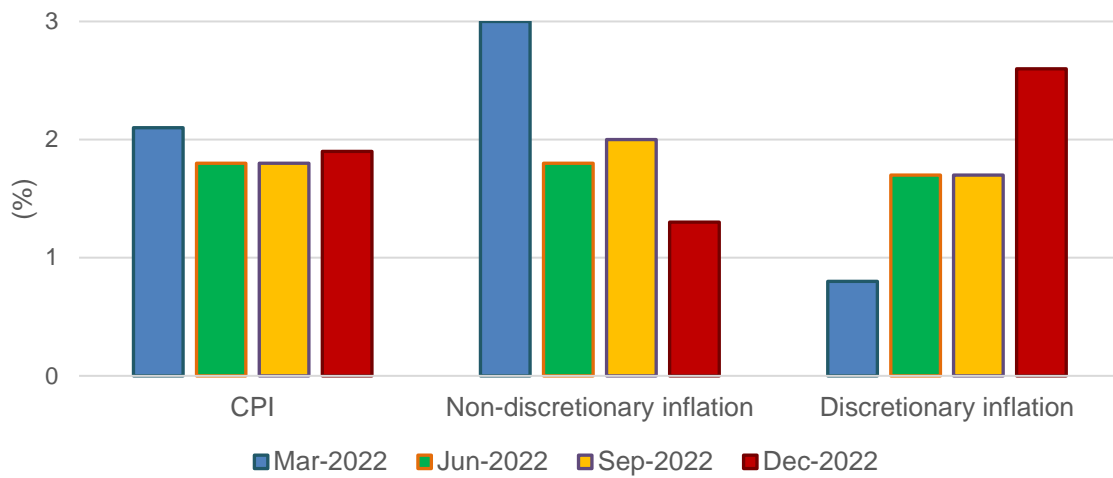
Quarterly CPI growth appears to have stabilised, albeit still at a high rate (Chart 7). However, there are emerging trends concerning the changes in non-discretionary and discretionary inflation rates (Chart 8). While non-discretionary inflation moderated towards the end of 2022, discretionary inflation continued to accelerate over the course of 2022. The resilience in demand for discretionary goods and services indicates spare capacity in household budgets despite the numerous interest rate hikes.

Chart 7: CPI growth



Source: ABS, *Consumer Price Index, Australia December Quarter 2022*

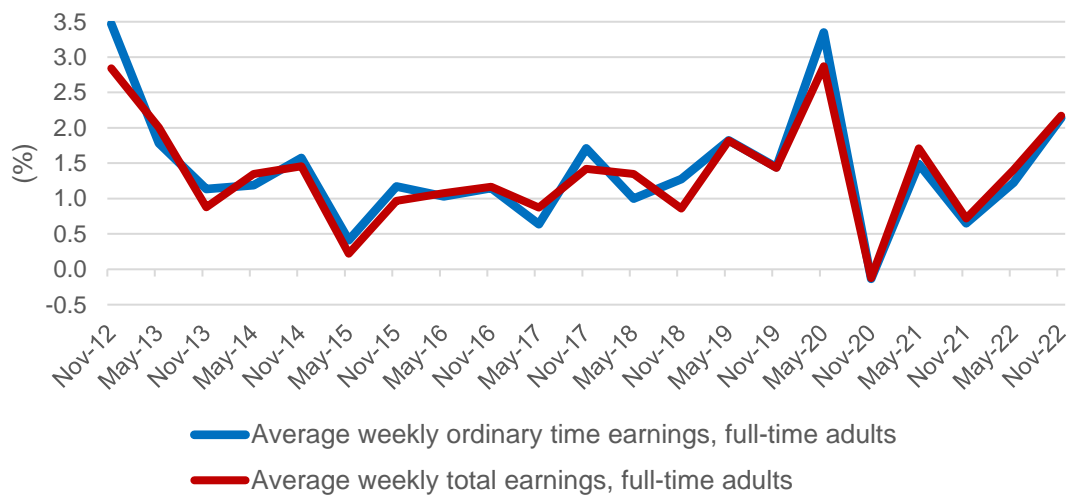
Chart 8: Discretionary and non-discretionary inflation (quarterly)



Source: ABS, Consumer Price Index, Australia December Quarter 2022

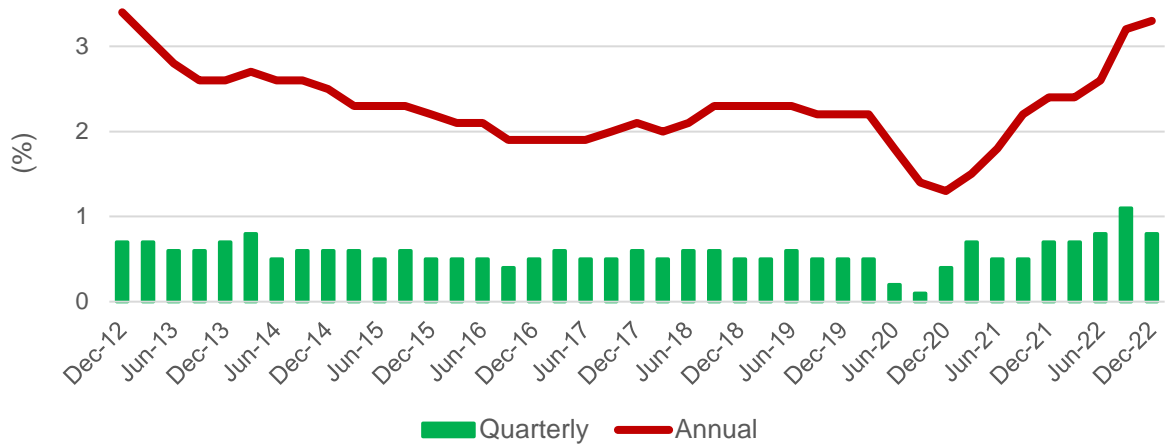
Despite the rapidly rising cost of living, wage growth has been relatively contained. Full-time adults' average weekly earnings rose at a faster but still-controlled pace in 2022 (Chart 9). The Wage Price Index (WPI) has also been on an upward trend, with its annual growth rate accelerating to 3.3 per cent in December 2022 (Chart 10).

Chart 9: Average weekly earnings (% , half-yearly change)



Source: ABS, Average Weekly Earnings, Australia November Biannual 2022

Chart 10: Wage Price Index growth



Source: ABS, Wage Price Index, Australia December Quarter 2022

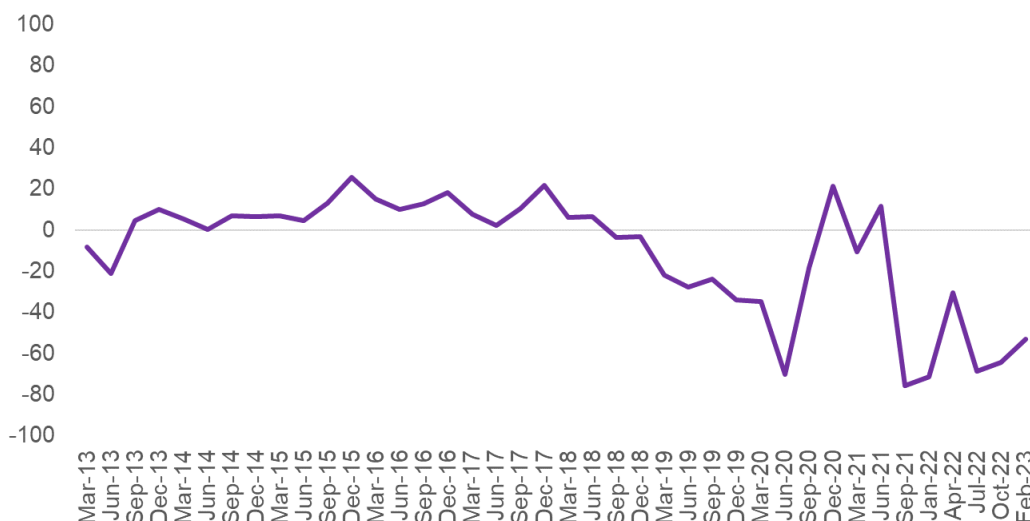
Business sentiment in NSW

ABI notes that business surveys can be a useful indicator of current economic conditions (noting time lags in official data) and a leading indicator for future economic trends.

The *Business NSW* Business Conditions Survey (the survey) gauges business perceptions of the New South Wales economy and identifies emerging risks and opportunities. While the survey does not report on business conditions across the rest of Australia, it provides useful insights into business conditions in New South Wales, a state that accounts for around a third of the national economy.

The survey consistently receives responses from all industries and regions across the State. Findings from the latest survey (conducted during 1-14 February 2023) show that business confidence remained firmly in negative territory (Chart 11). Close to 30 per cent of businesses indicated that they may not have enough business activity to survive 2023.

Chart 11: Business Confidence Index

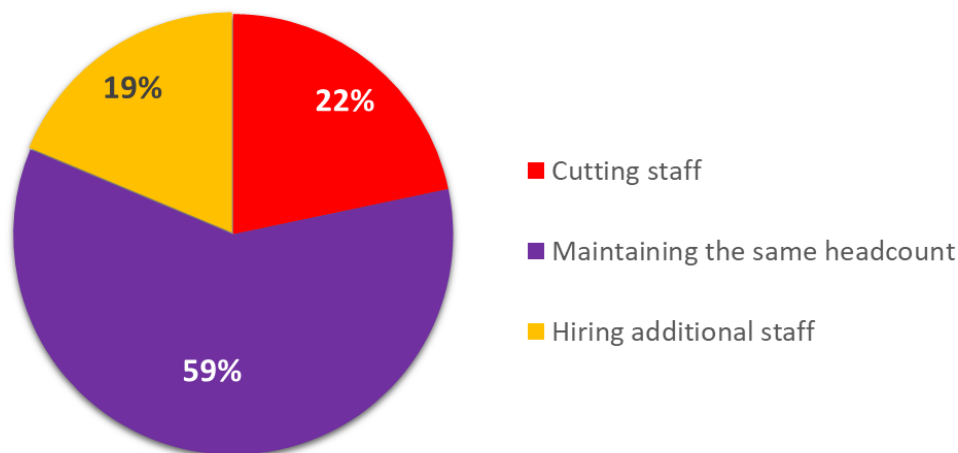


Source: Business NSW *Business Conditions Survey, February 2023*

Businesses, on average, considered the rising cost of doing business as the greatest barrier to operating at their full potential, out-ranking issues such as worker shortages or supply chain disruptions. When asked about barriers to accessing skilled workers, nearly 60% of businesses pointed to 'higher wages demanded by workers', which was also overwhelmingly the most common response to the question. In another question that asked about the level of concern businesses had with each of the 10 key categories of business costs, wages were found to be the fourth most concerned expense.

Amid a challenging economic outlook, the latest survey found that demand for workers has started to ease. In contrast to the widely-reported severe shortage of workers over the past two years, the majority of businesses are now inclined to maintain the same headcount in the second quarter of 2023 while 22% are likely to cut staff (Chart 12).

Chart 12: Plans for staff headcount for 2023 Q2



Source: Business NSW, *Business Conditions Survey, February 2023*

Increasing business costs

In our February 2023 Business Conditions Survey, rising energy costs were the biggest concern of NSW businesses, followed by insurance costs. The survey also found that supply chain issues are still being experienced by 87% of NSW businesses, with the most common concerns being higher product prices and freight costs.

In particular, concerns about the impact of rising energy costs on business have intensified. The Australian Energy Regulator (AER) recently revealed draft electricity price increases of between 20 and 22 per cent over the coming financial year, with even higher increases for Victorian businesses.

In addition to these costs, there has been a significant increase in commercial rents. JLL reports that 2022 saw a record rate of rental growth in the industrial sector, with a 23 per cent rise nationally over 2022, the highest rate since the start of JLL’s time series in 1989.¹

¹ JLL. *Australian Industrial Market Overview. 4Q22.*



Box 1 – Aged Care Sector

The aged care industry remains in a difficult clinical, operational and financial environment.

On 21 February 2023, the Fair Work Commission issued a decision in which it varied the Aged Care Award 2010, the Nurses Award 2020 and the Social, Community, Home Care and Disability Services Industry Award 2010 (SCHADS Award) (collectively, the Awards) to provide an interim increase of 15 per cent to modern award minimum wages for the following employees:

- direct care workers under the Awards;
- Head Chefs/Cooks under the Aged Care Award (aged care employee level 4-7 provided the employee is the most senior chef or cook engaged in a facility); and
- Recreational Activities Officers/Lifestyle Officers under the Aged Care Award.

The Commission decided that this increase was necessary to achieve the modern awards and minimum wages objectives and specified that it will take effect from 30 June 2023.

While it is understood that the Commonwealth Government intends to fully fund the 15 per cent to match the Commission's decision, at time of writing, the Commonwealth Budget has not yet been finalised. Given that the Commonwealth Government has previously indicated support for a staggered increase of the funding, stakeholders remain concerned that providers may have to fund 5 per cent of the increase from 1 July.

A further increase in the NMW applicable may further stretch the financial capacity of providers without additional Commonwealth Government funding.

Superannuation Guarantee

From July 2023, employers must pay an additional 0.5 per cent Superannuation, a direct increase on ordinary wages.

This increase should be factored in and subtracted from any increase the Expert Panel arrives at.

Offsetting increases to the superannuation guarantee charge percentage properly reflects the fact that the increased superannuation contributions are paid by employers directly as a direct percentage on the top of the ordinary wage.

In 2012, The Hon. Bill Shorten MP, in his role as Minister for Financial Services and Superannuation and the Minister for Employment and Workplace Relations, recognised it as such:

The truth is that superannuation is part of an employee's total remuneration. So an increase in super means an increase in remuneration – or wages by another name. And so by taxing this portion of wages concessional, an increase in the super guarantee from 9 to 12% really means that worker's receive a deferred wage increase. And they are better off overall because they pay less tax on the increased portion of their income that is superannuation.²

² <https://billshorten.com.au/opinion-piece-more-comfortable-retirement-for-working-australians>



Part II – Summary and recommendation

Recommendation:

- That the Expert Panel determine a 3.5 per cent increase in the 2022-23 Annual Wage Review, in addition to the 0.5 per cent increase in the Superannuation Guarantee.

Key considerations

This year, our recommended rate of wage increase is one that compensates workers for inflation experienced without creating a wage-price spiral that causes further inflation.

Our determination of wage increase is based on two key factors:

1. labour productivity growth – whereby higher outputs justify higher wages
2. inflation rate – indication of the rising cost of living experienced by workers

If real wage growth (i.e. the increase in wages net of inflation) exceeds labour productivity growth, the cost of production becomes higher and businesses are likely to raise prices to as compensation. This would then lead to higher inflation or even the unwelcome wage-price spiral.

Table 4 shows that labour productivity has declined in recent years. In December 2022, productivity was down 3.5% from a year ago. On the other hand, inflation has accelerated. The average forecast for CPI growth at the end of FY22-23 is 6.2%.

Table 4: Recent inflation, productivity growth and minimum wage increases (%)*

Financial Year	CPI growth (%)	Labour productivity growth (%)	Minimum wage increase (%)
2020-21	3.8	-0.2	2.5
2021-22	6.1	-0.3	5.2
2022-23	6.2**	-3.5***	3.5 (recommended)

Sources: ABS, Fair Work Commission, RBA, Budget Papers (Oct 2022)

Note: *The CPI and labour productivity growth rates are based on the year-on-year change recorded every June quarter. **Average of Treasury forecast (October 2022) and RBA forecast (February 2023). ***Latest figure from the quarter of December 2022.

Table 5: Inflation forecast (%)*

	Jun 2023	Jun 2024	Jun 2025
RBA	6.7	3.6	3.0
Treasury	5.75	3.5	2.5

Source: RBA, Budget Papers (October 2022)

Note: *The inflation forecasts are based on the year-on-year change every June quarter.

Providing a minimum wage increase that matches inflation at a time when inflation is not expected to continue at this historically high rate, will penalise businesses when increasing costs are already hurting businesses significantly.

While there have been significant increases in the cost of living and the cost of doing business, inflation likely peaked in the December 2022 quarter and both the RBA and Treasury forecast inflation to ease over the next year. We have therefore calculated our recommended increase on the forecast inflation rate of 3.6 per cent by June 2024.

Other considerations

Other factors we have taken into consideration when developing our recommendation include:

- overall performance of the Australian economy, including business confidence and expected performance in NSW; and
- the increase in the Superannuation Guarantee.

As stated earlier, Australia's economic growth started to slow in the second half of 2022. Although GDP increased for the fifth consecutive quarter in December, the quarterly growth rate of 0.5 per cent marks the second consecutive quarter of economic slowdown. It is clear that the Australian economy is decelerating as the pressures of higher interest rates and high inflation weigh on household spending and investment. There are also some signs that the labour market is starting to weaken.

Our NSW Business Conditions Survey, undertaken in February 2023, found that business confidence remained firmly in negative territory. Of concern, close to 30 per cent of businesses indicated that they may not have enough business activity to survive 2023 and 22 per cent of businesses indicated that they are considering reducing staff numbers in the upcoming quarter. Businesses, on average, considered the rising cost of doing business as the greatest barrier to operating at their full potential, out-ranking issues such as worker shortages or supply chain disruptions.

Of note, the NSW Government's half-yearly Budget Review also identified that the NSW economy faces significant headwinds, with lower than anticipated growth in 2022-23 and further moderation through to 2024-25 due to the full impact of monetary policy tightening and decreasing household spending.

Another consideration is the increase in the Superannuation Guarantee by a further 0.5 per cent from 1 July 2024. While this is a deferred benefit for employees, it is a cost to employers now and should be a key consideration when determining this (and any other) year's increase in the NMW.

An increase of 3.5% is therefore considered appropriate in addition to the 0.5 per cent Superannuation Guarantee increase due on 1 July 2023. This offers a balance between the recent decline in labour productivity, while reflecting inflation expectations for FY23-24.

Such an increase should be non-inflationary and can be borne by employers without adding additional stress to input costs, while providing employees with some compensation for inflation. It is our view that an increase in line with the current inflation rate would pose a real risk of significant adverse effects to the national economy.

Part III – Modern Awards Groupings

The division of Modern Awards in 2019-20 introduced additional complexity by introducing another major variable into consideration. For the last three years, Annual Wage Reviews have been focused not only on the quantum of pay increase, but also on the dates it applies.

For the last three Reviews, the Fair Work Commission determined different operative dates for different groups of modern awards in accordance with the adverse impacts from the pandemic.

In last year’s decision, as the pandemic continued to restrict certain industries (identified as ‘Lagging Recovery’), the Panel continued to use the staggered approach to operative dates.

Table 6: Modern awards with operative date of 1 October 2022

Description	Modern award
The modern awards mapped to <i>Transport, postal and warehousing</i> sector (including aviation and tourism awards)	Marine Tourism and Charter Vessels Award 2020
	Air Pilots Award 2020
	Airline Operations – Ground Staff Award 2020
	Airport Employees Award 2020
	Aircraft Cabin Crew Award 2020
	Airservices Australia Enterprise Award 2016
	Alpine Resorts Award 2020
	Wine Industry Award 2020
The modern awards mapped to the <i>Accommodation and food services</i> industry	Hospitality Industry (General) Award 2020
	Restaurant Industry Award 2020
	Registered and Licensed Clubs Award 2020

This year, there is no evidence that these industries continue to lag in terms of Gross Value Added (GVA) (Table 7), income from sales of goods and services (Table 8) or Gross operating profits (Table 9).

Table 7: Per cent change (quarterly) in Gross Value Added (GVA), by industry

	March 2022	June 2022	September 2022	December 2022
Lagging recovery (Upper cluster)				
<i>Accommodation and food services</i>	3.7	11.2	2.9	1.4
<i>Transport, postal and warehousing</i>	3.9	5.2	2.8	0.6

Note: Data are seasonally adjusted.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, December 2022, Table 6*, Catalogue No. 5206.0

Table 8: Per cent change (quarterly) in income from sales of goods and services, by industry

	March 2022	June 2022	September 2022	December 2022
Lagging recovery (Upper cluster)				
<i>Accommodation and food services</i>	3.8	11.2	2.9	1.5
<i>Transport, postal and warehousing</i>	7.4	4.6	3.2	-0.7

Note: Data are seasonally adjusted.

Source: ABS, *Business Indicators, December 2022*, Catalogue No. 5676 Table 5

Table 9: Per cent change (quarterly) in company gross operating profits, by industry

	March 2022	June 2022	September 2022	December 2022
Lagging recovery (Upper cluster)				
<i>Accommodation and food services</i>	-43.4	47.8	56.8	19.8
<i>Transport, postal and warehousing</i>	2.1	21.9	3.0	8.5

Note: Data are seasonally adjusted.

Source: ABS, *Business Indicators, December 2022*, Catalogue No. 5676.0 Table 12

This year, the data outlined above does not support a continuation of staggered dates.

Accordingly, ABI has no objections to realigning operative dates for all awards from 1 July 2023.