

Fair Work Commission

Fair Work Act 2009

Annual Wage Review 2018-19

Supplementary Submission

by the

Australian Catholic Bishops Conference

16 May 2019

1. For the reasons set out in the following paragraphs, the Australian Catholic Bishops Conference (the ACBC) seeks leave to file and rely on this supplementary submission.
2. In the course of the consultations on 15 May 2015 Professor Richardson sought a response from the ACBC to Table 7.3 of the Statistical Report published by the Fair Work Commission (FWC). Further to the matters raised in response during the consultations, the ACBC wishes to draw to the FWC's attention relevant passages in Chapter 4.D.(6) of its March 2019 submission.
3. The passages appear in the context of the ACBC's response to paragraph 339 of the FWC's June 2018 decision, in particular the sixth sentence of that paragraph, which read:

“We also note that 40 per cent of all the hours worked by employees paid at or below the C12 level (i.e. close to or a little above the NMW) were worked by youth aged 15–19 years and a further 24 per cent of such hours were worked by adults aged 20– 24 years.”

4. The footnote to this sentence referred to Table 7.5 of the FWC's Statistical Report. Table 7.3 in the current issue of the Statistical Report is identical to Table 7.5 in the 2018 editions of the Statistical Report. It appears that Table 7.3 was added to the 2019 editions of the Statistical Report after 8 March 2019.
5. The following and concluding sentence in paragraph 339 of the June 2018 decision read:

“We may reasonably presume that most of these young people do not have dependent children, yet they would, under the ACCER proposal, be the main

beneficiaries of a large rise in the NMW and nearby modern award minimum wages."

6. The ACBC relies on the matters raised in paragraphs 409 to 411 of its March 2019 submission in response to Table 7.3 of the current issue of the FWC's Statistical Report. For the reasons given in these paragraphs, the ACBC submits that no weight should be given to Table 7.3. The paragraphs read:

“409. The data referred to in the sixth sentence estimates that 64% of the hours worked at or below the C12 level were worked by workers aged 15 to 24. The footnote to the paragraph refers to Table 7.5 of the Statistical Report. This table also shows that when the distribution of hours across wage groups is extended to the hours worked at or below the C10 level (including at or below the C12 rate), the proportion of total hours worked by those aged 15 to 24 falls to 47.4%. No further calculation is given in respect of a higher wage level that might be regarded as the upper limit of the low paid work.

410. Save for the notes to Table, there was no elaboration of this data. Included in the notes to the table are “Source: ABS, Labour Force, Australia, Detailed – Electronic Delivery, Apr 2018, Catalogue No. 6291.0.55.001; ABS, Microdata: Employee Earnings and Hours, Australia, May 2016, Catalogue No. 6306.0.55.001”. However, these reports do not appear to support the kind of calculations in Table 7.5. It appears that substantially more information was added without explanation or attribution. Table 7.5 was included in the statistical reports issued in 2018. It had not been produced before and it has not been reproduced or adapted in the 8 March 2019 Statistical Report.

411. Table 7.5 was included in the June 2018 decision on the basis that it showed the extent to which low paid work is performed by young workers who are unlikely to have children. There are unanswered questions. The notes to the table indicate that casual loadings have been discounted, but no adjustment has been made in respect of those in receipt of a wage rate on account of being a junior, paid an apprentice/trainee rate or covered by a disability rate. This is significant because the percentages identified, especially in the 15 to 19 year old range, would include workers who are paid a rate referable to a rate in excess of the C12 adult wage rate. Because all adult rates in the retail industry are in excess of the C12 rate, retail industry workers within the group identified by the FWC should be excluded, along with others who are paid a proportion of an adult rate that exceeds the C12 rate. Similarly, those paid the C12 adult rate, or a percentage of it, should be excluded in considering the potential effect of moving the NMW to the C12 rate, as proposed by ACCER. Overall, these matters mean that the statistics mentioned by the FWC in respect the C12 and below category are unreliable; and if anything is to be drawn from them the figures in relation to wages at or lower than the C10 wage rate is to be preferred to the wages at or lower than the C12 rate. Given that the Table 7.5, or something similar, has not been included in the current Statistical Report, we presume that it will not be relied on in the current review.”