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| fwc_logo[2020] FWC 5779 |
| STATEMENT |

Fair Work Act 2009

s.285—Annual wage reviews to be conducted

Annual Wage Review 2020–21

(C2021/1)

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| JUSTICE ROSS, PRESIDENT | MELBOURNE, 29 OCTOBER 2020 |

**DRAFT RESEARCH PROGRAM**

1. The *Annual Wage Review 2019–20* decision stated that the Expert Panel intended to give consideration to a research program for the *Annual Wage Review 2020–21* (2020–21 Review) and gave interested parties an opportunity to lodge research proposals. [[1]](#footnote-2) No proposals were received.
2. A draft research program for the 2020–21 Review is provided at Attachment A for comment. The draft research program includes a description of the Statistical report and Research reference list.
3. Submissions to the Fair Work Commission (Commission) regarding the draft research program should be made by close of business on **12 November 2020** and can be filed electronically at [awr@fwc.gov.au](mailto:awr@fwc.gov.au).
4. All submissions will be posted to the Commission’s website.

PRESIDENT

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**Attachment A**

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| **Annual Wage Review 2020–21 —draft research program** |

The following items will be published to inform the *Annual Wage Review 2020–21* (2020–21 Review).

**Statistical report**

This will follow the format of previous Statistical reports and will be updated throughout the 2020–21 Review as new data are released. Each version of the Statistical report will be available on the Fair Work Commission (Commission) 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 relevant to the minimum wages and modern awards objectives. The list will initially cover literature published following the *Annual Wage Review 2019–20* (2019–20 Review) and be updated throughout the 2020–21 Review.

**Research reports**

Outlines of the research reports to be undertaken for the 2020–21 Review are provided below.

**Labour market transitions during COVID-19**

The COVID-19 pandemic and subsequent government-imposed restrictions to help contain the spread of the virus have significantly affected the labour market, with employment falling significantly between March and May 2020. As government restrictions gradually lifted, employment began to increase. This research will provide further insight into the transitions of workers during this period, by analysing those who left employment to determine the proportion that returned to work following the easing of government restrictions.

**An assessment of the economic effects of COVID-19**

The majority decision from the 2019–20 Review ‘found that the impact of the COVID-19 pandemic has not been consistent across all sectors of the economy.’[[2]](#footnote-3) This conclusion was supported by data from the Australian Bureau of Statistics’ (ABS) *Weekly payroll jobs and wages in Australia* among other sources*.* The 19 industries were presented in 3 separate clusters based on the changes in the number of payroll jobs and total wages from mid-March to late May. The research will focus on developments within these clusters since the time of the 2019–20 Review, such as changes in the labour market, business activity and the gendered effect of the pandemic. Government responses to the pandemic and their effects will also be considered.

**Budget standards**

The 2019–20 Review decision referred to budget standards as one consideration when assessing the needs of the low paid, including a 2017 report by the Social Policy Research Centre at the University of New South Wales that priced budgets in 2013.[[3]](#footnote-4) It was acknowledged from the report that ‘beyond the seven-year time horizon, it is preferable to review and revise the entire budgets to ensure that items, quantities and lifetimes as well as prices are reviewed and adjusted to reflect changes in community norms and average living standards’.[[4]](#footnote-5) The Commission is exploring opportunities to review and revise the entire budgets rather than rely on updating prices using the Consumer Price Index for the *Annual Wage Review 2021–22*.

**Accessing ABS data sources**

The Commission continues to engage with the ABS to explore opportunities to use and link various data sources to undertake research topics relevant to the minimum wages and modern awards objectives. Research proposals and expectant projects will be communicated in due course.

1. [2020] FWCFB 3500 at [474]. [↑](#footnote-ref-2)
2. [2020] FWCFB 3501 at [36]. [↑](#footnote-ref-3)
3. Saunders P & Bedford M (2017), *New minimum income for healthy living budget standards for low-paid and unemployed Australians*’, SPRC Report 11/17, Social Policy Research Centre, UNSW Sydney. [↑](#footnote-ref-4)
4. [2019] FWCFB 3500 at [306]. [↑](#footnote-ref-5)