



2022 State Wage Case

Chamber of Commerce and Industry WA

13 May 2022



We believe in good business

Index Title

Introduction.....	3
Challenges facing WA businesses.....	4
Ongoing impact of COVID-19.....	9
Impact of superannuation increases	14
Fairness and equity.....	15
State of the WA economy.....	22
State Wage Case Principles	35

Industrial Relations Act 1979

In the Western Australian Industrial Relations Commission

Application No. 1 of 2022

2022 STATE WAGE ORDER

On the Commission's own motion

SUBMISSION BY THE CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA

Filed on behalf of the Chamber of Commerce and Industry of Western Australia by:

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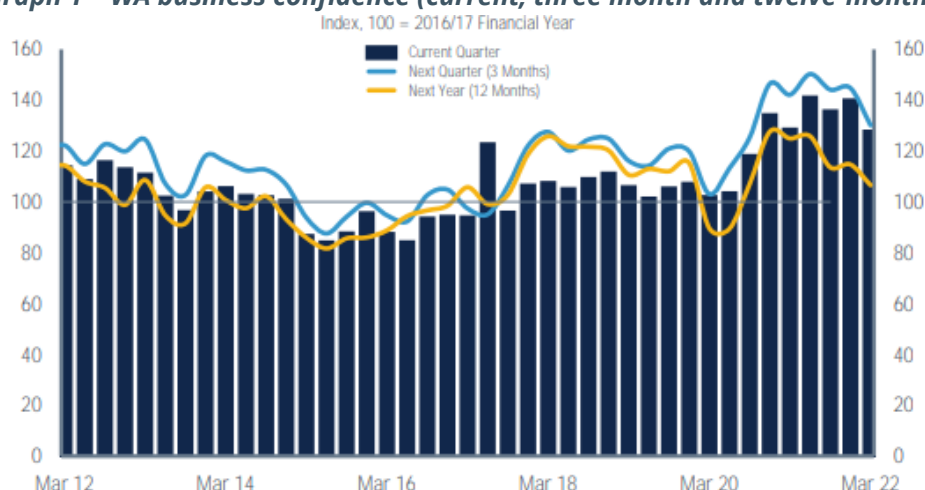
Introduction

1. The Chamber of Commerce and Industry of WA (CCIWA) welcomes the opportunity to make the following submission to the State Wage Case (SWC) on behalf of WA employers.
2. This is the third year in which the SWC proceedings have occurred in the context of a global pandemic which continues to have a dramatic impact on global, national and local economies.
3. However, the context for this year's proceedings is significantly different, with Government restrictions aimed at eliminating the spread of COVID-19 replaced with measures designed to manage the level of community transmission. This poses a different set of challenges for WA employers, particularly those sectors most likely to be affected by the SWC decision.
4. In recognition of the uneven growth of the state economy and ongoing challenges facing WA businesses, CCIWA encourages the Commission in Court Session (the Commission) to adopt a cautious approach in reviewing the State Minimum Wage (SMW) and award rates of pay, by taking into consideration:
 - 4.1. The dominance of the resources sector in driving the State's economic growth, which is not reflected within other sectors of the economy.
 - 4.2. The challenges and uncertainty which have eroded business confidence, including: the ongoing risk posed by the COVID-19 pandemic; supply chain disruption; labour shortages and rising costs to business.
 - 4.3. Superannuation changes that will increase contributions to 10.5 per cent and remove the exemption for employees earning less than \$450 per month.
 - 4.4. The low level of profit growth for unincorporated businesses affected by this decision in comparison to incorporated businesses.
 - 4.5. The impact of amendments to the *Industrial Relations Act 1979* (IR Act) which will allow the scope of private sector awards to be extended. The amendments will increase employment costs for a number of businesses covered by the state industrial relations system (state system) whilst reducing the proportion of employees whose wages are underpinned by the SMW.
 - 4.6. The fairness already delivered by the WA and National minimum wage when compared to other OECD nations.
 - 4.7. The role of the tax transfer system in supporting minimum wage earners.
5. We submit that this year's increase should:
 - 5.1. be targeted towards meeting the needs of the low paid through a flat dollar increase.
 - 5.2. promote a fair system of wages and conditions of employment by not disadvantaging small business operators through a higher minimum wage.

Challenges facing WA businesses

6. WA business confidence has taken a substantial hit with heightened skill shortages, inflationary pressure, supply chain disruptions and the ongoing threat of COVID-19. As shown in the graph below, short and long term business confidence has declined substantially in the first three months of 2022.

Graph 1 – WA business confidence (current, three month and twelve-month expectations)¹



7. Business confidence for the next 12 months is at its lowest point since June 2020, with 35 per cent of businesses expecting business conditions to deteriorate and 38 per cent anticipating no change. Only 29 per cent of businesses expect business conditions to improve.
8. These concerns are reflected both in the metropolitan and regional areas, as shown in the table below.

Table 1 – WA regional business confidence²

Confidence by Region (WA)	Short-Term Conditions (3-Months)			Longer-Term Conditions (12-Months)		
	Stronger	Weaker	About the same	Stronger	Weaker	About the same
South West	37%	27%	37%	32%	26%	32%
Great Southern	18%	27%	45%	18%	36%	45%
Wheatbelt	57%	14%	29%	43%	43%	14%
Goldfields-Esperance	43%	7%	50%	50%	36%	14%
Mid-West/Gascoyne	25%	50%	25%	27%	45%	36%
Pilbara	57%	7%	36%	54%	14%	32%
WA Regions	43%	21%	36%	39%	32%	29%
Perth and Peel	37%	26%	36%	27%	35%	38%

¹ CCIWA (2022) *CCIWA Business Confidence Survey: March Quarter 2022*, p1.

² CCIWA (2022) *Regional Pulse*, p1

9. From the above table, it is obvious that confidence is higher in those regions where the resource sector is dominant, along with the wheatbelt which has enjoyed a strong harvest with high yields, grain quality and prices.³
10. The decline in business confidence is also reflected in lower profit growth, with 54.4 per cent of businesses expecting a decline in profit margins over the March quarter 2022, compared to only 7.9 per cent expecting an improvement. For those sectors most affected by COVID-19, the proportion is much higher, with 100 per cent of event businesses anticipating a decline in profit margins, 93.3 per cent of food service businesses and 66.7 per cent of accommodation providers.

Table 2 – Profits margins – March quarter 2022

	Decrease	No Change	Increase
Agriculture, Forestry & Fishing	63.2%	26.3%	5.3%
Resources	58.6%	34.5%	0.0%
Manufacturing	61.0%	33.8%	2.6%
Utilities Services	66.7%	0.0%	33.3%
Construction	43.1%	50.8%	6.2%
Wholesale Trade	33.3%	33.3%	16.7%
Retail Trade	57.9%	31.6%	10.5%
Accommodation Services	66.7%	33.3%	0.0%
Food Services	93.3%	0.0%	6.7%
Transport, Postal & Warehousing	22.2%	11.1%	66.7%
Information Media & Telecommunications	50.0%	50.0%	0.0%
Financial & Insurance Services	66.7%	33.3%	0.0%
Real Estate Services	43.8%	43.8%	12.5%
Professional, Scientific & Technical Services	57.1%	42.9%	0.0%
Public Administration & Safety	0.0%	0.0%	0.0%
Education & Training	31.3%	50.0%	18.8%
Events Services	100.0%	0.0%	0.0%
Health Care & Social Assistance	50.0%	30.0%	20.0%
Arts & Recreation Services	50.0%	50.0%	0.0%
Total	54.4%	35.9%	7.9%

Supply chain disruption

11. Supply chain disruptions for WA businesses has persisted on two fronts, the first arising out of the impact of COVID-19 on the operation of distribution centres and secondly through the damage to the crucial east-west rail line which accounts for 81 per cent of freight into WA from the east coast.⁴

³ ABC Rural (4 December 2021) *Once in a generation season for West Australian farmers with bumper yields, quality grain, high prices*

⁴ NTC Australia (August 2016) *Who Moves What Where Freight and Passenger Transport in Australia* p66

12. Supply chain issues are also not limited to domestic freight transport, with WA businesses also affected by global supply chain disruption. Some of these risks include:
 - 12.1. COVID-19 disruption - disruptions to major logistics hubs have had a ripple effect across global supply chains that has resulted in goods piling up in storage. This has impacted on ships on their way to these ports through diversion or being slowed down as they arrive, thereby restricting global trade flows and limiting access for businesses to import products and refill their stocks of inventory.
 - 12.2. Production delays - manufacturers are competing for limited supply of key commodities and logistical capacity.
 - 12.3. Single trading partner - overreliance on a single trading partner and supply lines has created increased risk for businesses.
 - 12.4. Labour force - labour market shortages globally have impacted on many industries with shortages for suitably skilled white and blue collared workers.⁵
13. CCIWA's Business Confidence survey has identified that 85 per cent of WA businesses are impacted by supply chain issues, with:
 - 13.1. 68 per cent suffering higher material costs.
 - 13.2. 55 per cent experiencing delayed delivery of input materials.
 - 13.3. 48 per cent of businesses are experiencing delayed delivery of end products to customers.
 - 13.4. 46 per cent are facing shortages of input materials.
 - 13.5. 22 per cent are missing opportunities to bid for new work.
 - 13.6. 20 per cent are unable to meet contracts.⁶

Labour shortages

14. The availability of skilled labour persists as the most prevalent issue facing the WA business community, with 81 per cent of businesses identifying it as a barrier to growing their business over the coming year.⁷
15. This is flowing onto higher labour costs with 72 per cent of businesses anticipating an increase. As seen in the following table this expectation applies across all industry sectors.

⁵ KPMG (2022) [Six key trends impacting global supply chains in 2022](#).

⁶ CCIWA (2022) CCIWA Business Confidence Survey: March Quarter 2022

⁷ CCIWA (2022) CCIWA Business Confidence Survey: March Quarter 2022

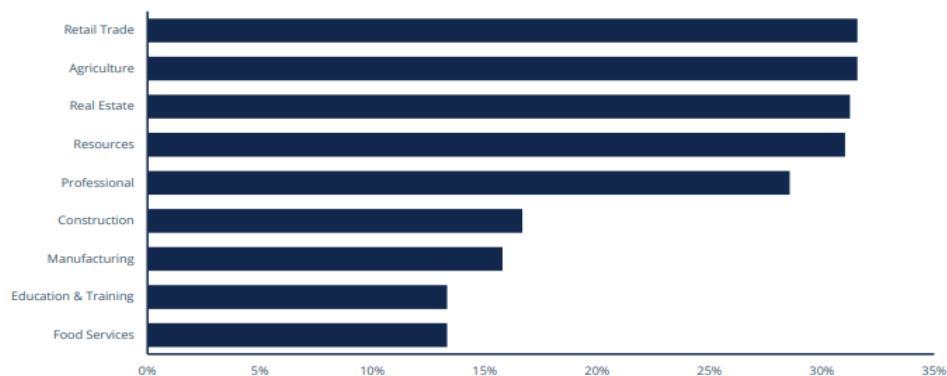
Table 3 – Labour costs per person – March quarter 2022⁸

	Decrease	No Change	Increase
Agriculture, Forestry & Fishing	0.0%	15.8%	84.2%
Resources	0.0%	10.3%	86.2%
Manufacturing	0.0%	28.6%	68.8%
Utilities Services	0.0%	33.3%	66.7%
Construction	0.0%	21.5%	78.5%
Wholesale Trade	0.0%	16.7%	83.3%
Retail Trade	5.3%	15.8%	79.0%
Accommodation Services	0.0%	33.3%	66.7%
Food Services	0.0%	40.0%	60.0%
Transport, Postal & Warehousing	0.0%	0.0%	100.0%
Information Media & Telecommunications	0.0%	25.0%	75.0%
Financial & Insurance Services	0.0%	0.0%	100.0%
Real Estate Services	0.0%	37.5%	62.5%
Professional, Scientific & Technical Services	0.0%	50.0%	50.0%
Admin & Support Services	0.0%	0.0%	100.0%
Public Administration & Safety	0.0%	0.0%	0.0%
Events Services	0.0%	33.3%	66.7%
Creative industries & performing arts	0.0%	100.0%	0.0%
Health Care & Social Assistance	0.0%	30.0%	70.0%
Arts & Recreation Services	0.0%	0.0%	100.0%
Total	0.3%	26.1%	72.3%

Rising costs

16. Other components of costs are also on the rise. Supply chain disruptions and inflationary pressures are continuing to result in higher operating costs, with 68 per cent of businesses experiencing higher material costs during the past three months.⁹
17. Increases to interest rates will also affect many businesses, with retail, agriculture, real estate and the resources sector most likely to experience a significant impact on their business.

Graph 2 – Proportion businesses expecting interest rate rises to have a significant impact – March quarter 2022



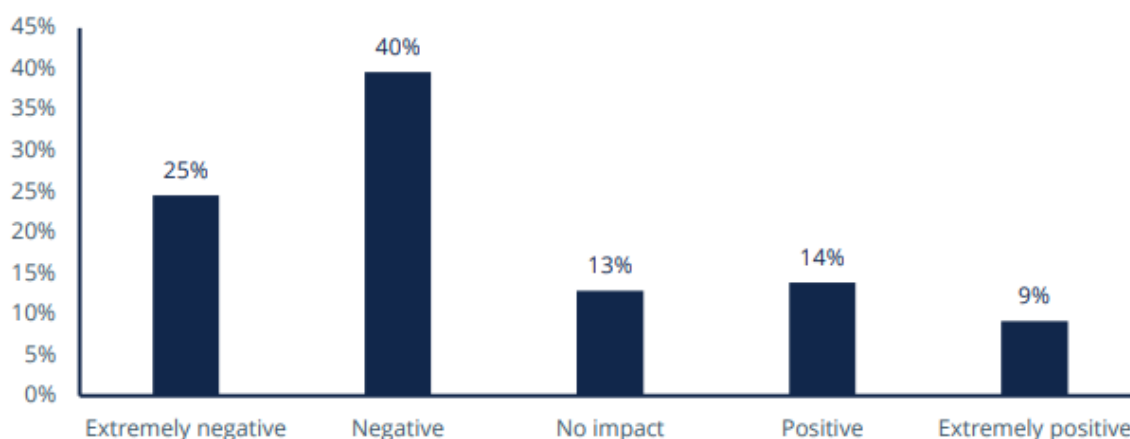
⁸ CCIWA (2022) CCIWA Business Confidence Survey: March Quarter 2022

⁹ CCIWA (2022) CCIWA Business Confidence Survey: March Quarter 2022

Closed Border

18. The delayed reopening of the WA border has affected the competitiveness of WA businesses, with many reporting that it has impacted on their operational continuity and financial health.
19. 65 per cent of businesses identified that the WA Government's decision to delay the planned February re-opening of the state's borders had a negative, or extremely negative impact on their organisation.

Graph 3 – Expected impact of delayed reopening of WA's border¹⁰



20. The major impacts of the delay relate to inability to recruit staff, reduced capacity to manage their business, lost customers' sales and loss of commercial contracts. This has been particularly relevant for WA hospitality and tourism businesses reliant on overseas and interstate visitors who have either been prevented from entering WA or put off by changing border rules.

Graph 4 – Impact of delayed reopening WA border



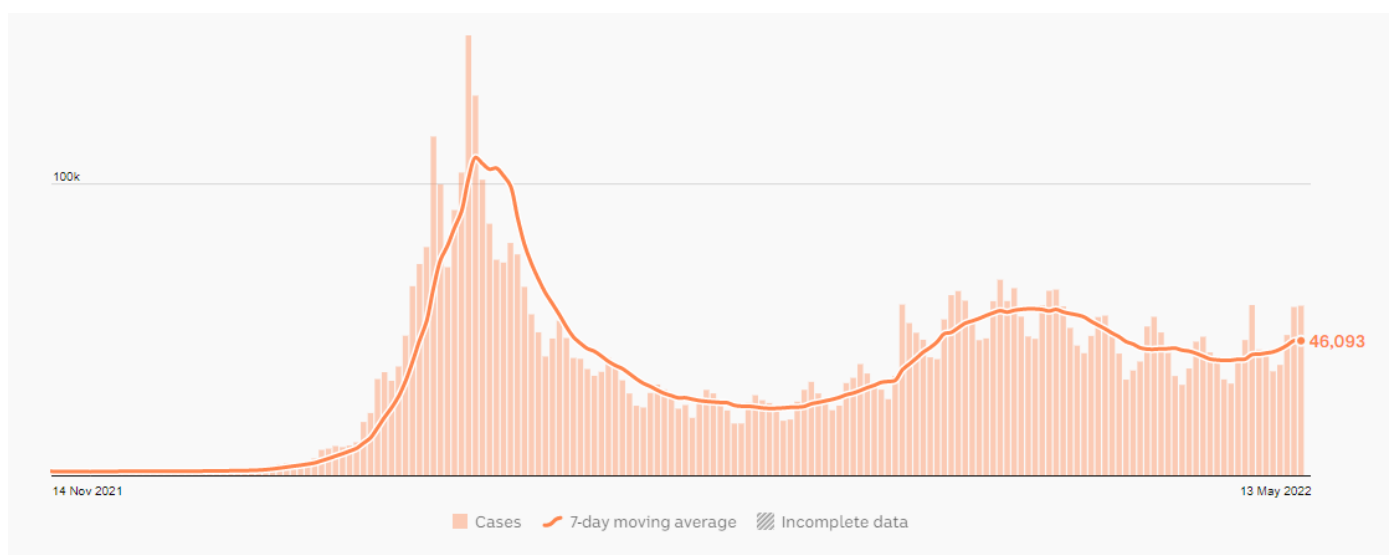
21. The impact of closed borders is ongoing, as a result of lost opportunities while WA and Australia maintained more restrictive border policies compared to other parts of the world and reputational damage to WA as a reliable place to do business.

¹⁰ CCIWA (2022) *CCIWA Business Impacts Survey – Delayed Border Reopening*

Ongoing impact of COVID-19

22. The COVID-19 pandemic continues to have a significant impact on the WA community, with a disproportionate effect on WA small businesses who are negatively affected by changes in consumer behaviours.
23. In last year's decision, the Commission identified that:
- We accept that until such time as the impacts of the pandemic are completely past us, and in particular, high levels of vaccination are achieved throughout the State, there is the ongoing risk of disruption, in particular industry sectors covered by the State Wage Order, such as accommodation, food services, retail and the arts and recreation sectors. However, we consider that it is likely as time goes on that any further outbreaks are more contained, with impacts on affected businesses minimized.¹¹*
24. The nature of the COVID-19 pandemic has since significantly changed. Whilst lockdowns are no longer a feature of the WA Government's response to the management of the COVID-19 pandemic, other government restrictions combined with widespread community transmission is having a significant impact on business.
25. With the introduction of the Omicron variant daily case numbers have skyrocketed, and community transmission is widespread, both nationally and in WA.
26. However, for WA the onset of community transmission has occurred later than the other states and territories by several months.

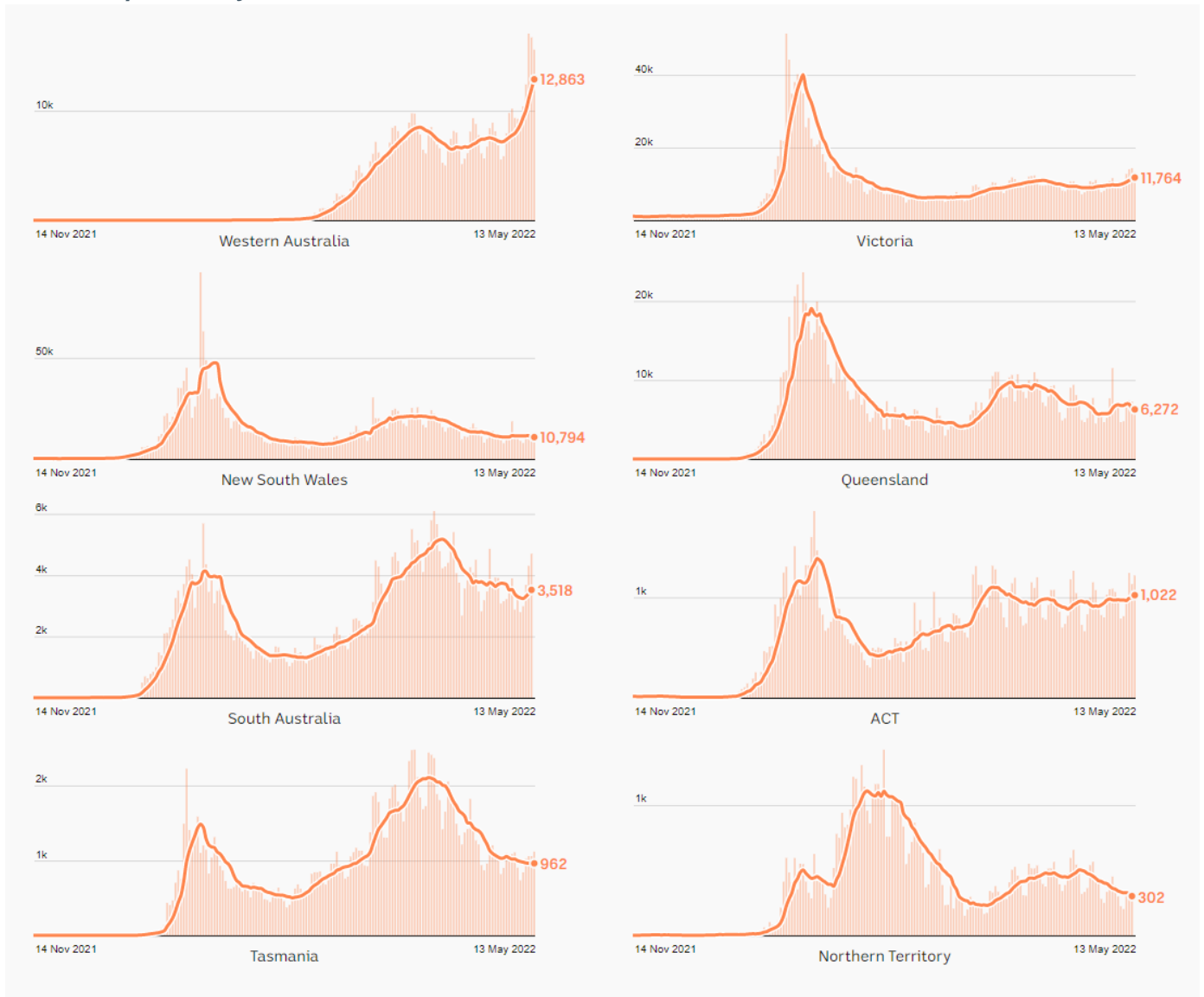
Graph 5 – Daily number COVID cases - Australia¹²



¹¹ 2021 WAIRC 00173 at 141

¹² ABC News (2022) [Charting the COVID-19 spread in Australia](#). Accessed 13 May 2022

Graph 6 – Daily number Covid cases – states and territories ¹³



27. The above graphs show that for WA, the onset of increased community transmission started in February 2022, whilst for most other states and territories this occurred in December 2021. Whilst nationally the number of new COVID-19 cases is plateauing, in WA the numbers remain on the rise. On 11 May 2022, WA recorded 0.64 new cases per 100 people compared to 0.22 nationally. The national high recorded on 13 January 2022 was 0.59 new cases per 100 persons.¹⁴

¹³ Ibid

¹⁴ Ibid.

28. The Omicron COVID-19 modelling by the WA Department of Health is currently prefaced on between 9,770-10,956 symptomatic cases at peak. The modelling also identifies that this was a conservative estimate given the high level of vaccination which may have resulted in lower actual numbers.¹⁵ In actuality, the modelling has underestimated the number of cases which is currently (as of 13 May) at a 7-day average of 12,863 cases, and reached a daily high of 17,033 on 11 May 2022, with no clarity as to when WA will reach peak case load.¹⁶
29. The concern for WA is the impact that this will have as we move into the winter influenza season and the increased spread of the Omicron BA.2 COVID sub-variant which is reportedly *“up to 40 per cent more transmissible than the previously dominant BA.1, which sent Australia's COVID infections to previously unimaginable heights”*.¹⁷
30. The different approach adopted by the WA Government in managing the COVID-19 pandemic compared to other states/territories has also negatively impacted on WA businesses with higher levels of restrictions.
31. As a response to the rising number of Omicron cases in early 2022, the WA government established Level 1 COVID restriction measures on 21 February which included a state-wide mask mandate, proof of vaccination requirements for high-risk settings and capacity and density limits.¹⁸ These measures were changed to level 2 restrictions on 3 March due to the opening of borders and increasing transmission.
32. Level 2 restrictions included density and capacity limits such as the 2 square metre rule and 150-person capacity limits for venues such as licensed hospitality venues, nightclubs, entertainment venues, beauty services and hair services. For entertainment venues with forward facing seating, a 50 per cent capacity limit was in effect. Masks were required to be worn by everyone over the age of eight in all public indoor environments. Proof of vaccination was required at all dine-in venues which increased costs for employers as they adapted staffing levels to implement these requirements. Strict isolation rules were also present for those with COVID-19 and close contacts which further impacted on the availability of staff.
33. Whilst most of these level 2 restrictions were removed on 29 April¹⁹, employers are mindful that the WA Government may impose additional measures in the event of increased community transmission or higher levels of hospitalisation. The potential for this to occur has already been flagged by the Premier who, in response to concerns over rising case numbers, is quoted as saying that whilst he was not considering bringing back masks at this point in time, *“we don't rule it out in the future”*.²⁰

¹⁵ WA Department of Health (February 2022) *Omicron COVID-19 modelling*, p4.

¹⁶ ABC News (2022) *Charting the COVID-19 spread in Australia*. Accessed 12 May 2022

¹⁷ ABC News (15 March 2022) *With the new BA.2 COVID sub-variant spreading rapidly, what will Australia's colder months look like?*

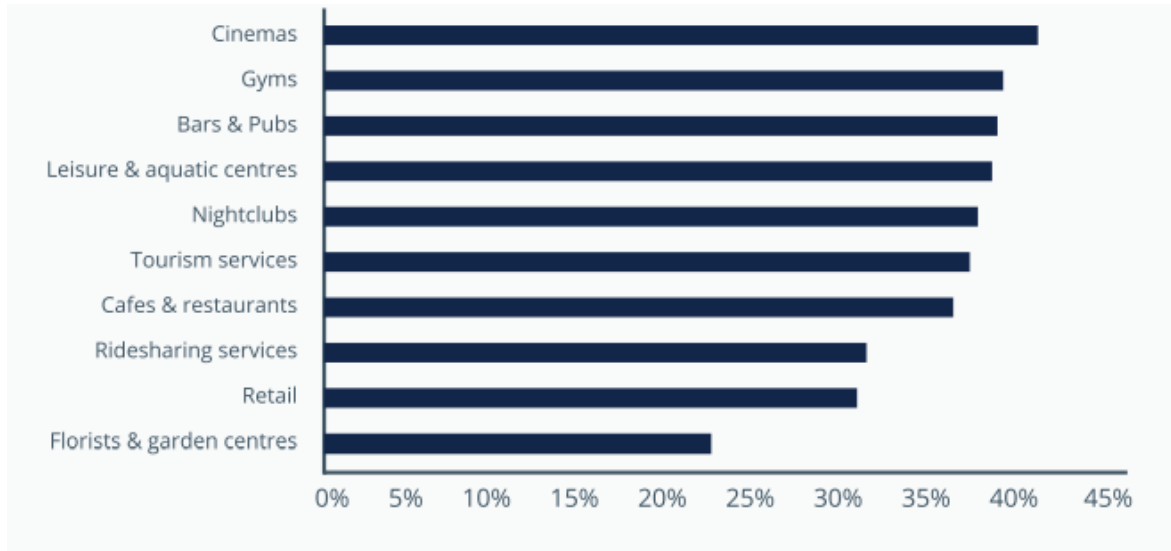
¹⁸ WA Government (18 Feb 2022) *Public health and social measures to keep WA safe – Media statement*.

¹⁹ WA Government (28 February 2022) *Level 2 public health measures introduced state-wide on Thursday 3 March*

²⁰ Zimmerman, J and Law, P (12 May 2022) *Cover up again*. The West Australian, p5.

34. These restrictions had considerable impact on the performance of WA businesses, particularly small businesses in the hospitality and food services industries. CCIWA's June 2021 consumer confidence report considered the impact of mask wearing on consumer behaviours. It found that mask mandates alone reduced consumer spending by an average of 35 per cent, with the greatest impact on cinemas (-41 per cent), gyms (-39 per cent), bars and pubs (-39 per cent) and leisure venues (-38 per cent).²¹

Graph 7 – Impact of mask wearing restrictions on spending



35. Whilst the easing of these restrictions, has assisted in some areas of business performance, the changes to consumer behaviour as a result of increased transmissions remains an ongoing challenge.
36. These challenges are reflected in the CCIWA consumer confidence reports which show the impacts that COVID-19 and other economic factors have had on both business and consumer confidence.
37. Overall, consumer confidence in the short and long term have decreased since the last quarter, with 63 per cent of WA consumers identifying that the spread of omicron has negatively impacted on their confidence in the March quarter of 2022, up from 52 per cent in December 2021.²²

²¹ CCIWA (2021) *Consumer Confidence Survey: June Quarter 2021*, p4

²² CCIWA (2022) *CCIWA Consumer Confidence Survey: March 2022*, p 2

38. The spread of the Omicron wave has altered consumer spending habits and behaviours, with:
- 38.1. 63 per cent identifying that they would spend less time at large events including concerts, sports events and festivals.
 - 38.2. 58 per cent would spend less time dining out and visiting bars.
 - 38.3. 50 per cent would make fewer trips to shopping centres.
 - 38.4. 38 per cent would spend more online.
 - 38.5. 25 per cent would increase their contributions to personal savings.²³
39. The changing nature of the COVID-19 pandemic has also impacted on working and living arrangements. Workers are increasingly preferring to work at home due to convenience and safety factors, with 48 per cent indicating that they expect to be working from home at least one day a week. Given this survey reflects responses from across the State, commercial centres such as the Perth CBD are observing a significantly higher proportions of people working from home. For small businesses operating in the Perth CBD and major commercial hubs this trend has resulted in a substantial decline in customers.
40. The effect of shifting consumer behaviours, in conjunction with previous restrictions, is the creation of a 'shadow lockdown' which has disproportionately impacted retail, personal services, tourism and hospitality businesses. The shadow lockdown has seen consumers being deterred from leaving home due to reluctance of wearing masks and wariness of contracting COVID. This has decreased consumer spending in these businesses despite the absence of an official government mandated lockdown. The shadow lockdown can be seen through:
- 40.1. 61 per cent of office workers to choosing to work from home due to mask mandates.²⁴
 - 40.2. the March 2022 office occupancy levels for Perth reaching their lowest level since June 2020 at 45 per cent of pre-pandemic levels.²⁵
 - 40.3. 75 per cent of WA arts organisations unable to continue operating on their current income due to COVID related cancellations.²⁶
 - 40.4. 20 per cent of all businesses nationally having staff unavailable due to COVID during April 2022.²⁷

²³ Ibid, p3

²⁴ Bennett, M (8 March 2022) [Perth workers stay home as mask mandate bites](#)

²⁵ Property Council of Australia (6 April 2022) [Office Occupancy Rates Doubles in Most CBDs](#)

²⁶ The Chamber of Arts and Culture (30 March 2022) [Arts and Culture Financial Impact and Well-being Survey Results](#)

²⁷ ABS (April 2022) [Business Conditions and Sentiments – April 2022](#).

Impact of superannuation increases

Increased super contributions

41. Superannuation forms an important part of an employee's overall remuneration, helping to provide a secure retirement. It is a key element of an employee's safety net that needs to be considered when reviewing the SMW and award rates of pay generally.
42. Effective from 1 July 2022, statutory superannuation contributions will increase from its current rate of 10.0 to 10.5 per cent. For employers covered by the state system this will result in an additional:
 - 42.1. \$202.54 per annum (\$3.90 per week) for a full-time employee on the SMW;
 - 42.2. \$230.72 per annum (\$4.44 per week) for a full-time employee on the equivalent to the C10 rate under the *Metal Trades (General) Award*; and
 - 42.3. \$267.80 per annum (\$5.15 per week) for a full-time employee on the equivalent to the C5 rate under the *Metal Trades (General) Award*.²⁸
43. It should also be noted that superannuation contributions are calculated on shift penalties, loadings and most allowances (other than expense allowances).²⁹ Consequently, the increase for most award-based employees will be higher, particularly for employees covered by retail and hospitality awards where ordinary hours are frequently performed at times when penalty rates apply.
44. As the Commission recognised in last year's decision, statutory superannuation is a direct cost to employers which forms part of the total cost of employment.³⁰ It is therefore taken into consideration by employers when determining employment levels and working hours. The increase also has a direct benefit to employees and represents an improvement in the overall wages and conditions of employment.
45. We submit that the Commission should continue to adopt its previously held view that "*such increases should have a moderating influence on an increase in the SMW*"³¹ by taking into consideration the full increase in superannuation when considering its SWC decision.

Increased eligibility

46. The range of employees who are eligible to receive superannuation contributions has increased as a result of the passage of the *Treasury Laws Amendment (Enhancing Superannuation Outcomes for Australians and Helping Australian Businesses Invest) Act 2021*.
47. Effective from 1 July 2022, this legislation will remove the current exemption from superannuation contributions for employees who earn less than \$450 in a calendar month.

²⁸ Based on 2021 rates.

²⁹ ATO (2009) *Superannuation Guarantee Ruling – SGR 2009/2*

³⁰ 2021 WAIRC 00173 at 96

³¹ Ibid

48. The Australian Government estimates that these changes will benefit 3 per cent of employees, predominately young workers engaged on a part time basis.³² In WA, this will equate to an additional 44,000 (approximately) employees becoming entitled to superannuation contributions for the first time.³³
49. This change will have the greatest impact on retail and hospitality businesses who are the dominant employer of junior employees engaged on a part time or casual basis.

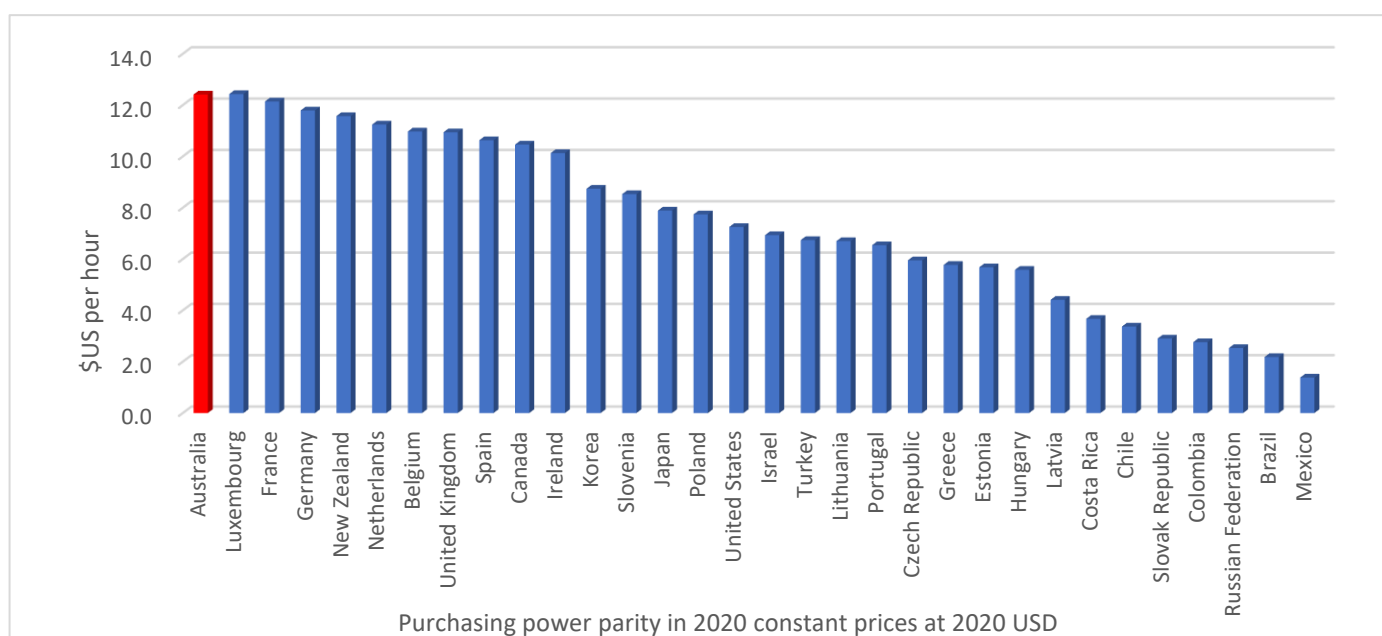
Fairness and equity

50. A key objective of the SWC proceedings is to “ensure that West Australians have a system of fair wages and conditions of employment”.³⁴

Fairness by international standards

51. Australia continues to have amongst the highest hourly minimum wage within the OECD, based on purchasing power parity. As shown in the graph below, in 2020 the National Minimum Wage (NMW) equated to \$12.40 US per hour, equal highest with Luxemburg.
52. Australia’s minimum wage is also considerably higher than New Zealand (9th placed at \$11.60), the United Kingdom (12th placed at \$10.90), Canada (14th placed at \$10.50), and the United States (20th placed at \$7.30).

Graph 8 – Real hourly minimum wage, 2020³⁵



³² Treasury Laws Amendment (Enhancing Superannuation Outcomes for Australians and Helping Australian Businesses Invest) Bill 2021 – Explanatory Memorandum, p7

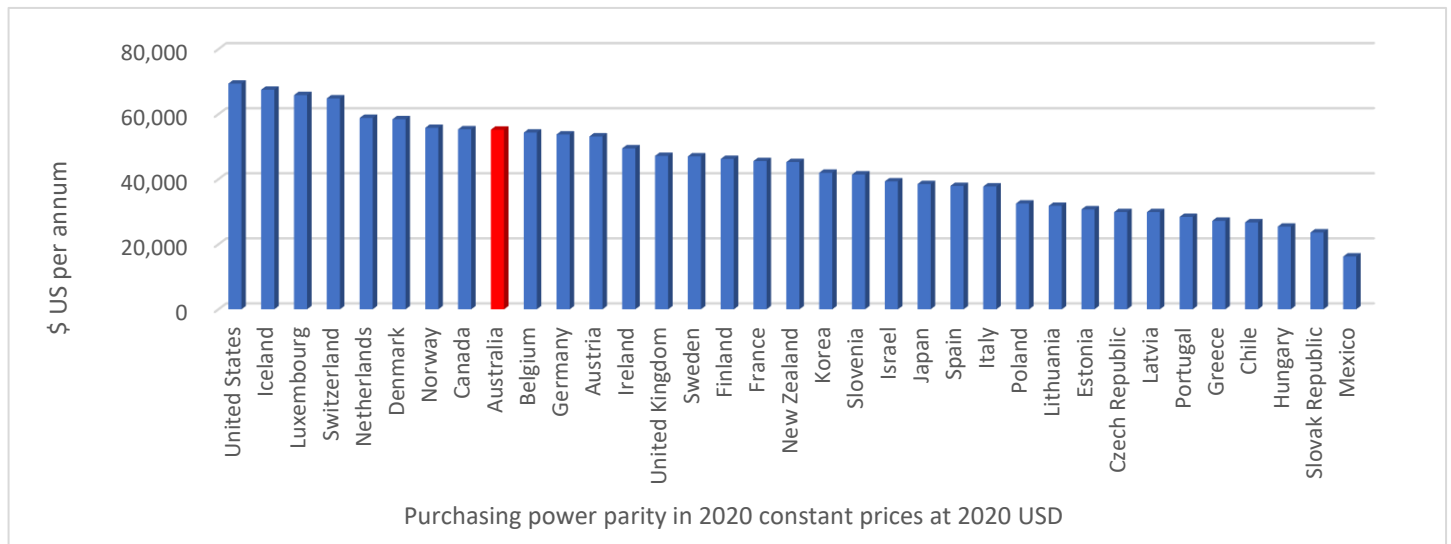
³³ Based on seasonally adjusted number of employed people in Western Australia. ABS (April 2022) *Labour Force, Australia - March 2022*.

³⁴ S50A(3)(a)(i) of the Industrial Relations Act 1979 (WA)

³⁵ OECD (2022) *Real Minimum Wage 2020*.

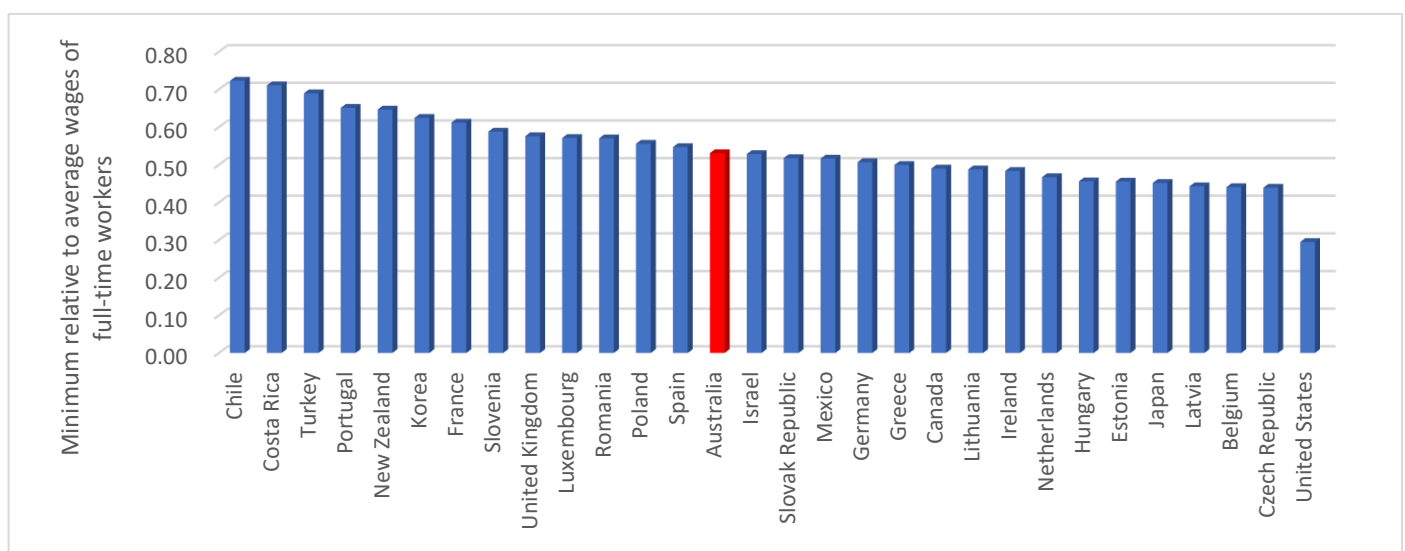
53. Australia also has high average annual earnings compared to many other OECD countries. In 2020, the United States had the highest average earnings at \$69,392 per annum despite having one of the lowest minimum wages. Australia's average earnings equated to \$55,206 per annum, on par with Canada (\$55,342) and significantly higher than the United Kingdom (\$47,147) and New Zealand (\$45,269).

Graph 9 – Average annual earnings, 2020³⁶



54. In 2020, the NMW constituted 53 per cent of median average earnings. In comparison, the ratio of minimum wage to average annual earnings is 65 per cent for New Zealand, 58 per cent in the United Kingdom, 49 per cent for Canada and 29 per cent in the United States.

Graph 10 – Minimum wage relative to median average earnings for full time workers, 2020³⁷



³⁶ OECD (2022) *Average annual wages 2020*.

³⁷ OECD (2022) *Minimum relative to average wages of full-time workers 2020*.

55. These results identify the challenges in comparing minimum wages to average earnings given the level of variables involved.
56. At 72 per cent, Chile has the highest ratio, which is the result of a low real minimum wage (31st placed at \$3.40 per hour) and lower level of annual earning (35th placed at \$26,729 per annum). A similar scenario also exists with respect to New Zealand, in which the combination of a lower real minimum wage (\$11.60 per hour) constitutes a higher proportion of relatively poorer average earnings of \$45,269 per annum.
57. In considering minimum wage relativity, it is important to note that unlike other international jurisdictions, Australia has an award system which provides for multiple minimum wages based on the occupation and industry of the person employed. SWC and AWR decisions also increase the significantly higher award rates of pay and can have a signalling effect on collective and individual wage negotiations.
58. Consequently, it is not realistic to chase a goal of increasing minimum wage relativities, unless the Commission takes the approach of providing a higher increase to the SMW than it does to award rates of pay generally.
59. In considering the fairness of the minimum wage, greater consideration should be given to its purchasing power. As shown in Graph 8, this goal has been achieved through the high purchasing power of the NMW when compared to other countries.

Fairness between employers

60. Following the 2021 SWC decision, the gap between the state and national minimum wage rose to \$6.40 per week, increasing the level of disadvantage between state and national system employers.
61. This disadvantaged was further compounded by the AWR decision to defer the operative dates for the hospitality, accommodation, tourism and personal services sectors (to 1 November 2021) and general retail industry (1 September 2021)
62. In last year's decision, the Commission noted that the higher SMW occurs in the context where *"the cost of living is the same as for employees in the State system"* as it is for those covered by the national system.³⁸
63. Whilst the issues affecting employees are the same irrespective of whether they are covered by the state or national system, the same is not true when it comes to their employer.

³⁸ 2021 WAIRC 00173 at 60

64. As the Commission has previously recognised, this decision will have a greater impact on small sole traders and partnerships in the accommodation and food services, retail, arts and recreation industries, along with some not-for-profit organisations in the health and community services sectors.³⁹
65. In comparison, the national annual wage review will apply to a broad cross section of businesses. With the decline in Federal enterprise agreements, an increasing proportion of these businesses are large national and international businesses which have a better capacity to accommodate wage and other labour cost increases.
66. This is not the situation with respect to the small businesses. CCIWA has previously identified that where wage increases are higher than growth in prices, small businesses need to consider strategies aimed at reducing labour costs. Most frequently this occurs by reducing the number of staff engaged per shift, reducing hours of work, increasing the proportion of junior staff, and the owners increasing the number of hours where they perform work normally undertaken by staff. The latter outcome is of particular concern as it takes business owners away from managing and growing their business, limiting the potential for further business and employment growth.

Growth in the SMW

67. Over the past ten years, growth in the SMW has exceeded both average annual inflation and annual wage growth, as shown in the table below.

Table 4 – Minimum wage growth compared to average annual inflation and wage growth – Western Australia

	SMW Increase	Average Annual CPI - Perth	Average Annual WPI - WA
2012	3.39%	1.8%	4.5%
2013	2.90%	2.5%	3.3%
2014	3.10%	2.8%	2.4%
2015	2.10%	1.3%	2.0%
2016	1.91%	0.5%	1.7%
2017	2.31%	0.8%	1.4%
2018	2.54%	1.1%	1.6%
2019	2.75%	1.5%	1.6%
2020	1.75%	0.9%	1.6%
2021	2.50%	3.5%	1.7%
10 year average	25.3%	16.7%	21.8%

³⁹ 2021 WAIRC 00173 at 51

68. Over the period from 2012 to 2021 the SMW increased by 25.3 per cent, compared to a 16.7 per cent increase in inflation and 21.8 per cent over the same period.
69. In an environment of significant fluctuation in the rate of CPI, the Commission should take into account the contribution that previous decisions have had in meeting the needs of the low paid.

No single minimum wage

70. There is no single minimum wage under the state industrial relations system, with awards establishing multiple rates of pay based on the industry in which the employee is engaged, the work performed and in some circumstances the duration of their employment.
71. This is reflected in the minimum wages prescribed by the *Metal Trades (General) Award* which establishes rates between \$779.00 through to \$1030.00 per week.

Table 5 – Metal Trades General Award – Minimum rates of pay as at 1 July 2021

Wage Group	Weekly Rate	Hourly Rate
	\$	\$
Level C14	779.00	20.50
Level C13	797.90	21.00
Level C12	823.30	21.67
Level C11	847.00	22.29
Level 10	887.40	23.35
Level C9	911.60	23.99
Level C8	935.60	24.62
Level C7	957.70	25.20
Level C6	1005.80	26.47
Level C5	1030.00	27.11

72. Awards commonly contain a base rate of pay which is substantially higher than the SMW. Of the ten most accessed awards this occurs with the⁴⁰:
- 72.1. *Shop and Warehouse (Wholesale and Retail Establishments) State Award* (\$67.40 per week higher);
- 72.2. *Building Trades (Construction) Award 1987* (\$37.70 per week higher);
- 72.3. *Hairdressers Award* (\$197.10 per week higher);
- 72.4. *Clerks (Commercial, Social and Professional Services) Award* (\$37.80 per week higher);
- 72.5. *Social and Community Services (Western Australia) Interim Award 2011* (\$36.94 per week higher);
- 72.6. *Electrical Contracting Industry Award* (\$78.40 per week higher);
- 72.7. *Cleaners and Caretakers Award 1969* (\$7.20 per week higher).

⁴⁰ Minister for Industrial Relations, 2021 State Wage Case – Initial Submission, p17

73. In most other circumstances, awards limit the period of time an employee can be engaged at the lowest classification, resulting in unskilled workers progressing quickly to rates in excess of the SMW.⁴¹ From the list of commonly accessed awards this occurs with the:

73.1. *Metal Trades (General) Award*;

73.2. *Restaurant Tearoom and Catering Workers' Award*.

Reduced reliance on State Minimum Wage

74. In considering the SWC, the Commission gives significant consideration to the reliance of award free employees on the SMW.

75. As a result of the passage of the *Industrial Relations Legislation Amendment Bill 2021 (WA)*, the Commission will have the capacity to, of its own motion, expand the scope of private sector awards to cover parts of an industry not previously covered.⁴²

76. The operation of this new provision needs to be considered in the context of establishing a suitable safety net of terms and conditions of employment.

76.1. In the first instance, it will substantially reduce the proportion of employees paid at the SMW, which will instead largely become a transitional rate that applies to new employees for a short period of time until they gain the relevant training and/or experience to operate at a higher level; and

76.2. Secondly, it will significantly increase the employment costs of those parts of an industry that have previously been award free.

Tax transfers

77. The Commission has previously recognised that the *"the SMW alone cannot address all the needs of the low paid"* and as such tax and transfer payments have a significant role in providing targeted relief to the low paid.

78. It is therefore appropriate for the Commission to give consideration to relevant provisions of the State and Federal Government budgets aimed at alleviating pressures experienced by the low paid, particularly cost of living.

79. Rising petrol prices were a key feature of the federal budget prompting a 50 per cent reduction in fuel excise from 30 March 2022 to 28 September 2022, by which time it is anticipated that the global pressures driving higher petrol prices will have alleviated. This measure reduces the fuel excise for petrol and diesel from 44.2 to 22.1 cents per litre. It is anticipated to provide a household with at least one vehicle *"an average benefit of around \$300 over a 6-month period."*⁴³ The following table provides shows the expected cost saving per tank of fuel.

⁴¹ We note that all the rates of pay in the *Farm Employees Award* reflect the SMW. This situation applies to a small proportion of awards where the relevant union has not sought to apply previous safety net and/or structural efficiency adjustments.

⁴² Section 37D

⁴³ Australian Government (2022) [Budget 2022-23 Fuel Excise Fact Sheet](#).

Table 6 – Estimated household savings in fuel excise and GST per tank of fuel⁴⁴

	Excise saving per tank (\$)	GST saving per tank (\$)	Total savings per tank (\$)
Small hatchback – 40 litre petrol tank	\$8.84	\$0.88	\$9.72
Mid-sized SUV – 60 litre petrol tank	\$13.26	\$1.33	\$14.59
Large 4WD – 80 litre petrol tank	\$17.68	\$1.77	\$19.45

80. The Federal Budget also provides for a \$420 one-off cost of living tax offset for low- and middle-income earners. This will increase the low and middle income tax offset (LMITO) to between \$675 and \$1500. Taxpayers earning \$37,000 or less will receive the \$675 offset, with 7.5 cents per dollar earned above this amount to a maximum of \$1,500. The maximum offset is reduced by 3.5 cents for dollar for taxable incomes above \$90,000.⁴⁵ This approach targets low paid workers, with an employee on the current SMW expected to receive an offset of \$938.10.
81. With respect to the WA Budget, a key measure is the provision of a \$400 electricity credit, which will allow householders to use income normally set aside to pay their power bill to other household expenses. Likewise, the state Government commitment to keep increases in household fees and charges below the rate of inflation will help reduce cost of living pressures.
82. To help address housing supply issues the WA budget also provides a range of tax reform and incentives to increase the number of rental and affordable properties, including:
- 82.1. a 50 per cent reduction in land tax for new build-to-rent projects aimed at removing investment barriers and increasing the supply of rental properties;
 - 82.2. a 100 per cent stamp duty rebate for off-the-plan apartments below \$500,000 aimed at improving the number of affordable homes. This strategy complements the Federal Government's commitment to expand the Home Guarantee Scheme to 50,000 guarantees up from the current 10,000;
 - 82.3. a density bonus for multi-storey developments that include a minimum of 5% social housing.⁴⁶
83. As a result of having a well-managed budget, the WA Government retains the capacity to respond to future cost of living shocks.

⁴⁴ Ibid. Note: The above table shows the expected change in excise and GST paid, however the exact effect on the cost of a tank of fuel will vary depending on changes in petrol prices. The excise and GST savings assume a full tank would be filled with petrol or diesel only.

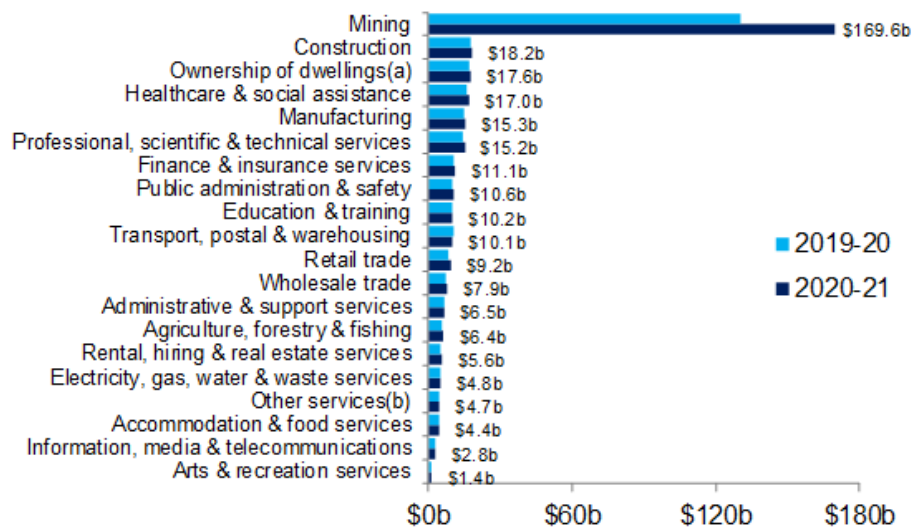
⁴⁵ ATO [Low and middle income earner tax offsets](#). Accessed 13 May 2022.

⁴⁶ WA Government (2022) [Western Australian State Budget 2022-23 – Budget Paper No 1 Treasurer's Speech](#), p10

State of the WA economy

84. The WA economy has grown strongly as a result of three key factors:
- 84.1. Mining sector - The WA mining industry now comprises 47 per cent of the State's economy making us overly reliant on a single sector for our economic prosperity.
 - 84.2. Government stimulus - over the past 2 years, significant levels of government support have shored up household balance sheets, unlocked business investment and helped improve confidence levels. Subsidies and low interest rates which enabled many people to enter the housing market for the first time, creating a substantial pipeline of new residential construction.
 - 84.3. Fewer restrictions on personal activity - WA's lower levels of restrictions during 2020 and 2021 compared to other states has allowed the mining industry to continue operating and facilitated greater household spending.
85. The dominance of the mining sector is highlighted in the following graph which identifies industry contribution to Gross State Product (GSP).

Graph 11 – Industry contribution to Gross State Product – WA⁴⁷



86. The mining sector's contribution of almost \$167 billion to GSP is far in excess of the next largest sector (the construction industry) which at \$18 billion, accounts for just 5 per cent of the state economy.

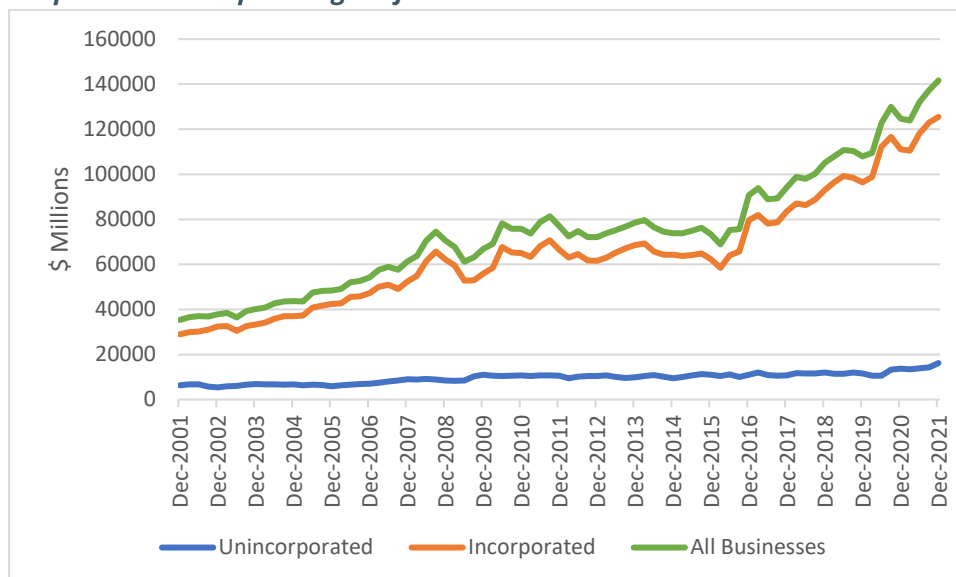
⁴⁷ Government of Western Australia. [Western Australia Economic Profile – March 2022](#)

87. Whilst WA Treasury is estimating to grow by 3.75% for the 2021-22 financial year, it anticipated that economic growth will moderate to 2% in 2022-23 with a predicted “contraction in net exports in 2022-23 (and 2023-24) with an expected return to more normal international travel patterns (resulting in Western Australians spending more on overseas travel than the contribution from international visitors and students in the State). At the same time, growth in merchandise exports is forecast to ease as major producers are expected to be operating at close to capacity levels”.⁴⁸

Profits

88. In considering the capacity for employers covered by the state industrial relations system to fund wage increases, consideration must be given to the level of profit growth for unincorporated businesses.
89. As shown below, growth in gross operating profit for unincorporated businesses has remained relatively subdued when compared to the growth for incorporated businesses.

Graph 12– Gross Operating Profit - Australia



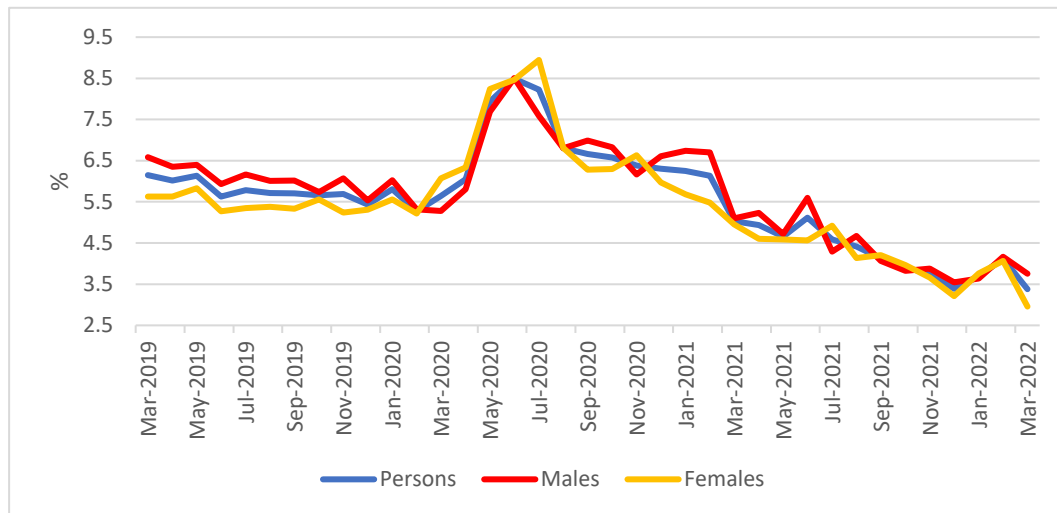
Labour force

90. Since the commencement of the COVID-19 pandemic, the WA labour market has been in significant flux as it responds to the challenges arising from both the pandemic and the government restrictions aimed at controlling it.
91. The unemployment rate in WA has fallen substantially to 3.4 per cent in March 2022, down from 4.1 per cent in the previous month. This is the lowest unemployment rate WA has recorded since Dec 2008, being 0.1ppts lower than the 3.4 per cent recorded in December 2021.

⁴⁸ WA Government (2022) *Western Australian State Budget 2022-23 – Budget Paper No 3 Economic and Fiscal Outlook*, p 9.

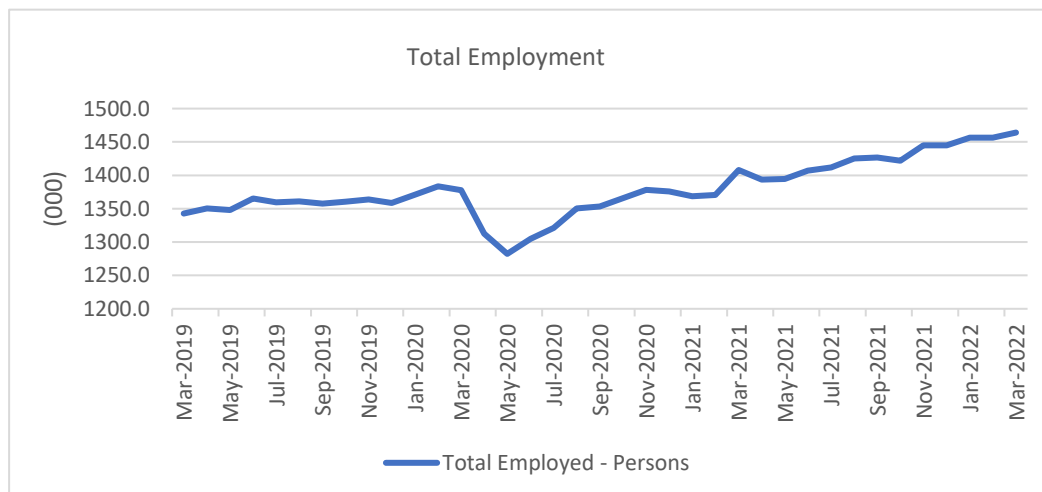
92. As shown in the table below, after spiking at 5.1 per cent in June 2020, the unemployment rate has been trending downwards, albeit with a significant number of fluctuations. Most noticeably, the female unemployment rate (currently 3.0 per cent) has largely been trending below the male unemployment rate (currently 3.8 per cent).

Graph 13 – Unemployment rate – Western Australia⁴⁹



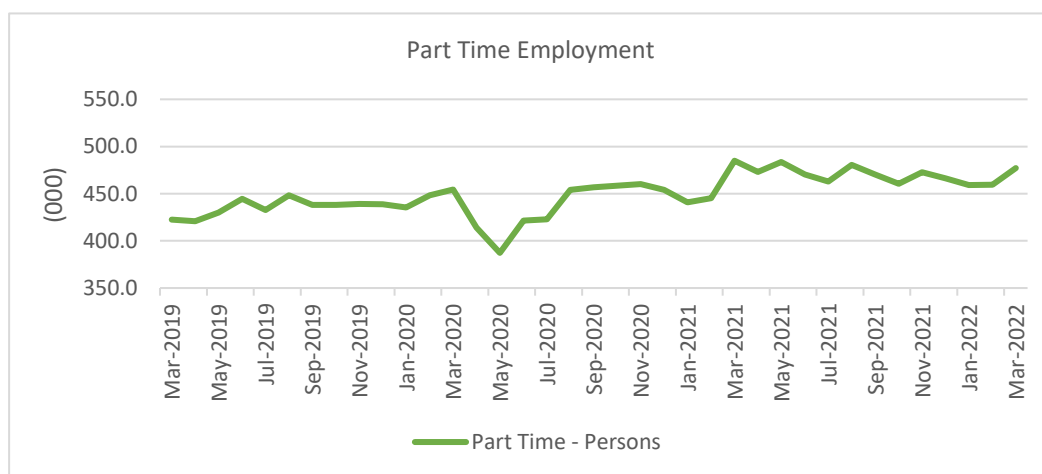
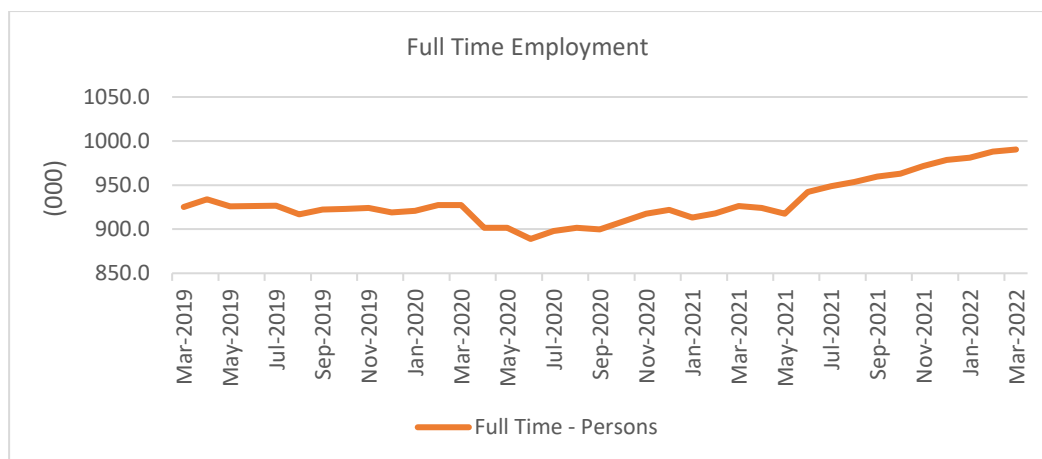
93. This is also reflected in the level of employment, with significant growth in full time jobs combined with relative constant level of part time employment.

Graph 14 – Employed persons – Western Australia⁵⁰



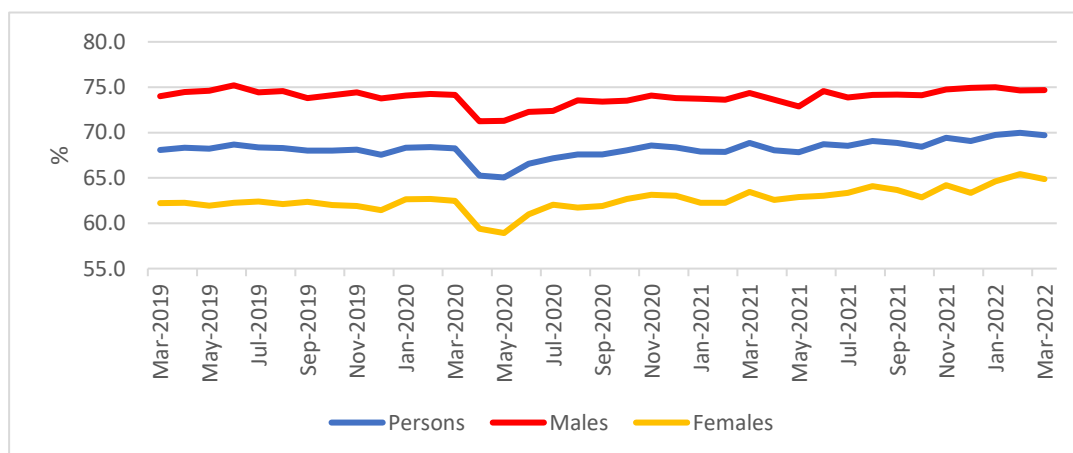
⁴⁹ ABS (April 2022) *Labour Force – Australia – March 2022*. Seasonally adjusted

⁵⁰ Ibid



94. The participation rate has also increased as more people enter the labour market to take advantage of employment growth. As seen below, the participation rate has increased since the decline in May 2020, reaching 70 per cent in February 2022, before declining slightly in March 2022 to 69.7 per cent.

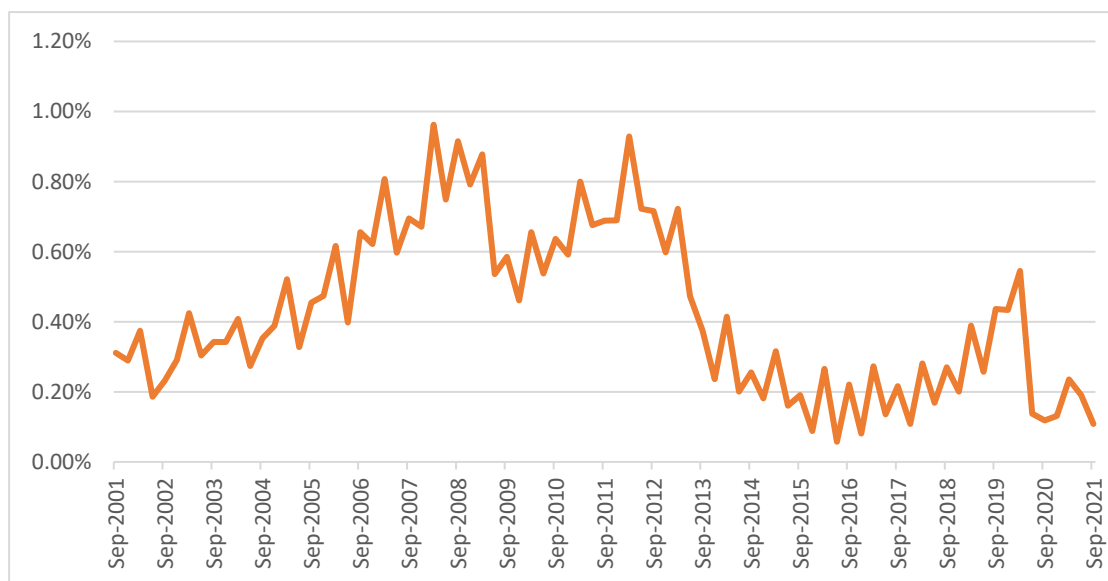
Graph 15 - Participation rate - Western Australia⁵¹



⁵¹ Ibid

95. The 70 per cent participation rate for February 2022 was the highest since the commencement of recordings in 1978, exceeding the 69.7 per cent reached in October 2012. Likewise, the female participation rate of 65.4 per cent in February 2022 is the highest rate on record, having previously reached 63.1 per cent in April 2018.
96. The high level of employment, record participation rates and extremely low level of unemployment is reflected in the labour shortages currently affecting WA businesses. The availability of work has expanded the labour pool by drawing out people into the labour market.
97. However, the current labour shortages facing WA businesses are unlikely to be addressed by increases to the minimum wage, with the primary driver being low levels of population growth arising from restrictions in domestic and international travel.
98. Prior to 2020, population growth was increasing as the WA economy was starting to show signs of growth, before substantially declining as travel restrictions were imposed at the commencement of the pandemic. Whilst travel restrictions have since been eased, the national skilled migration cap of 109,000 places⁵² will continue to restrict workforce growth.

Graph 16 - Population growth – Western Australia⁵³



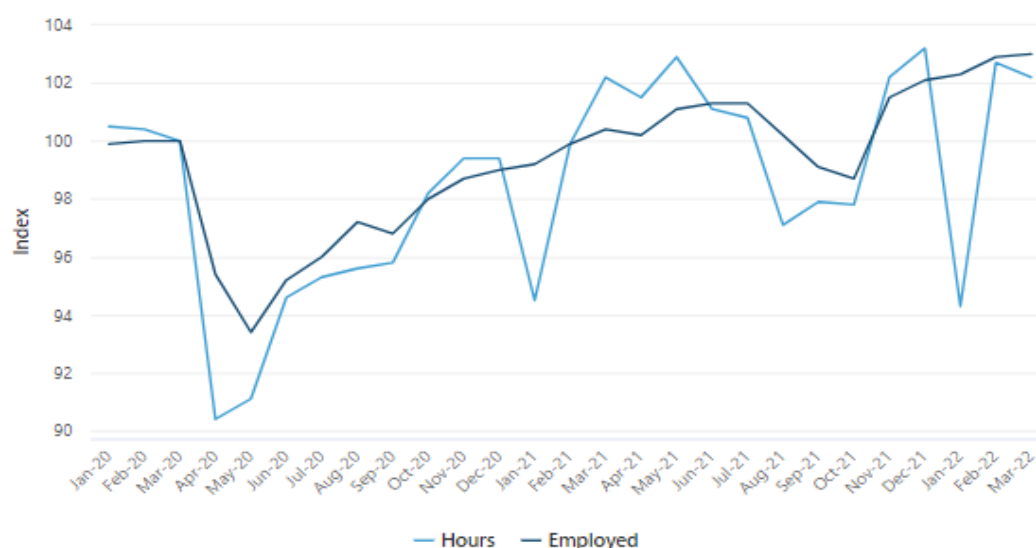
99. Australia is reliant on overseas migration to increase our workforce and consequently we will continue to have a tight labour market for the foreseeable future.
100. Not only will this result in increased labour costs, it will also restrict growth opportunities for WA businesses as they struggle to obtain suitable qualified and experienced workers.

⁵² <https://immi.homeaffairs.gov.au/what-we-do/migration-program-planning-levels>

⁵³ ABS (March 2022) *National, state and territory population – September 2021*. Estimated Resident Population – Western Australia

101. The COVID-19 pandemic is also continuing to have an impact on the labour market in terms of hours worked. As shown in the following graph, whilst employment growth has largely been positive since the initial onset of the pandemic, working hours has been subject to significant fluctuation.

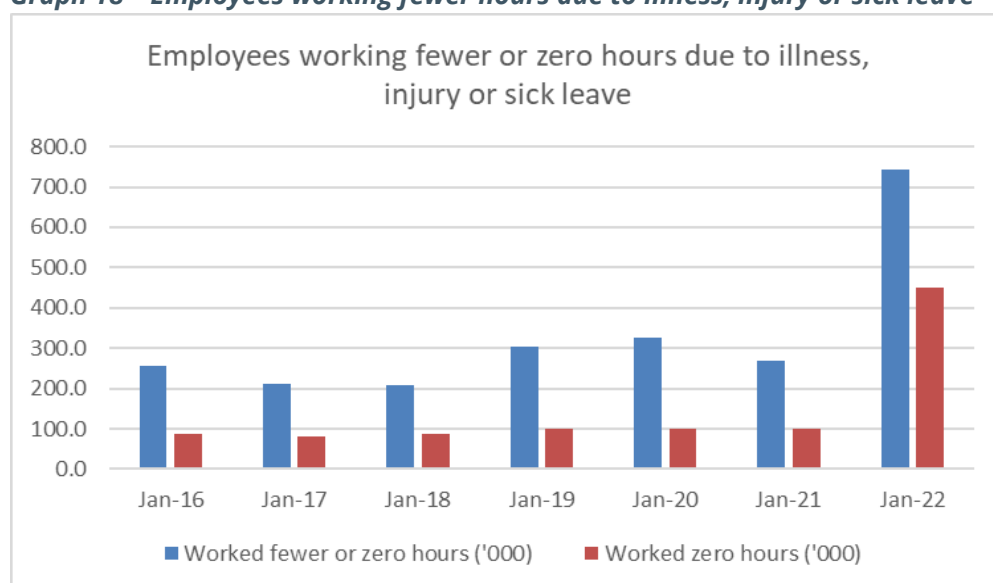
Graph 17 – Hours worked and employment index - Australia⁵⁴



Source: Labour Force, Australia Tables 1 and 19

102. The decline in working hours was particularly pronounced in January 2021 as Omicron disruptions nationally resulted in an increased number of employees working fewer hours due to illness, injury and sick leave compared to previous years.⁵⁵

Graph 18 – Employees working fewer hours due to illness, injury or sick leave - Australia

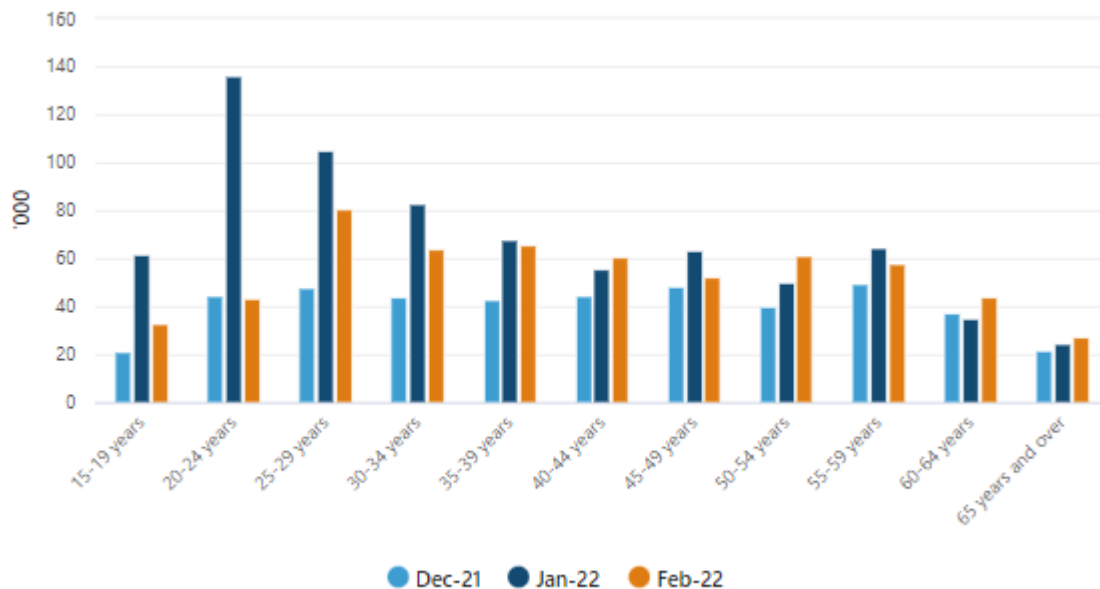


⁵⁴ ABS (April 2022) [Insights into hours worked, March 2022](#)

⁵⁵ ABS (February 2022) [Insights into hours worked, January 2022](#)

103. This impact has been greater on younger employees under the age of 30 years, in which there has been a dramatic increase in the number of these employees working fewer hours due to personal illness or injury. This is reflective of the greater risk of community transmission posed to this age group due to social factors. For those industries who are more likely to employ younger workers, such as retail and hospitality, it has also meant an increased impact on staffing levels.

Graph 19 – People working fewer hours due to own illness, personal injury or sick leave – Australia.⁵⁶

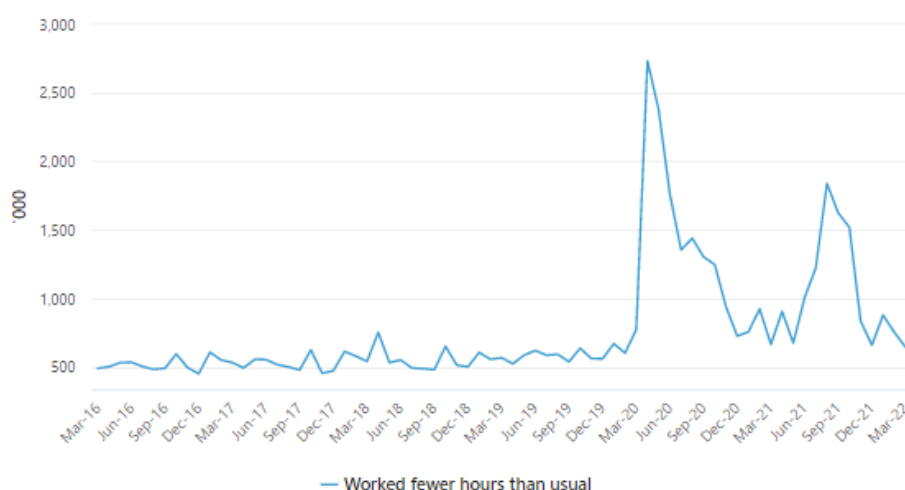


Source: Labour Force, Australia Data Cube EM2a

104. It should also be noted that the above graph is based on time off work due to personal illness or injury, and does not take into account hours lost due to isolation as a close contact or for providing care to a person who has contracted COVID-19.
105. Working hours has also been impacted. There has been an increase in people working fewer hours due to economic and other reasons due to the effect of increased government restrictions and shadow lockdowns.

⁵⁶ ABS (March 2022) [Insights into hours worked, February 2022](#)

Graph 20 – People working fewer hours due to economic and other reasons - Australia⁵⁷



Source: Labour Force, Australia Data Cube EM2a

106. For WA employees unable to work as a result of COVID-19, the state and federal governments have introduced the following schemes to minimise the financial impact where they are unable to access other paid leave entitlements:

106.1. Test Isolation Payment Scheme – provides employees with a \$320 payment who are required to isolate whilst waiting for the results of a PCR test and are unable to work from home;

106.2. Pandemic Leave Disaster Payment – provides employees with \$750 per week⁵⁸ if required to self-isolate / quarantine due to COVID-19 or are caring for a person who is required to do so.

107. Rather it is employers who have borne the brunt of this trend in terms of increased employment costs and lower productivity.

Wage growth

108. Based on the Wage Price Index, private sector wages in WA grew by 2.1 per cent in the year to December 2021, compared to national growth of 2.4 per cent.⁵⁹

109. However, caution needs to be taken in considering this data given the methodology limitations which excludes allowances and bonus payments. Movement in the price of wages and salaries resulting from changes in the composition of the labour market are also excluded from index movements.⁶⁰

⁵⁷ ABS (April 2022) *Insights into hours worked, March 2022*

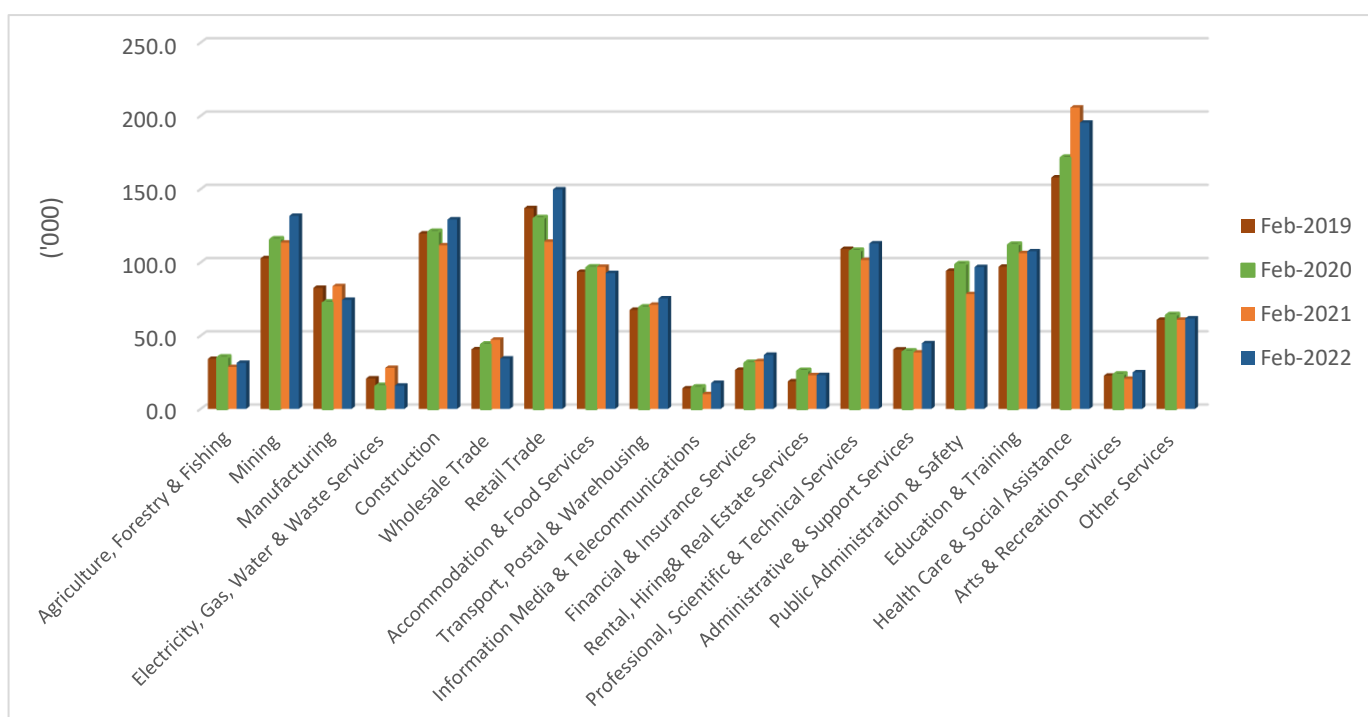
⁵⁸ Where the employee has lost 20 hours or more work per week. The amount for employees who have lost more than 8 hours, but less than 20 hours of work are entitled to \$450 per week.

⁵⁹ ABS (February 2022) *Wage Price Index, Australia – December 2021*.

⁶⁰ ABS (February 2022) *Wage Price Index, Australia Methodology*.

110. These limitations underestimate the real growth in wages, as it ignores the use of allowances and bonuses to increase overall remuneration. The use of productivity / performance bonuses, site allowances, and sign on bonuses are some of the measures increasingly used to attract and retain workers in a tight labour market without increasing the base rate of pay. This trend has also been recognised by WA Treasury who have identified that businesses *“have been using a range of ways to attract and retain people without building increases into base wages”* including *“the use of targeted bonuses and one-off payments, as well as flexible work policies and more internal training and development, which are not captured in the headline WPI data”*.⁶¹
111. WPI also ignores structural changes in the labour market, including the nature of work performed and the characteristics of the job occupant. As seen in the graph below, there has been a significant shift over the previous 12 months in industry composition of the labour force, with high growth in the proportion of employees engaged in the mining, construction and retail sectors. The tight labour market has also resulted in employees with lower skill and qualification levels moving into higher paying roles as demand for more skilled workers improves.

Graph 21 – Composition of the WA Workforce⁶²



⁶¹ WA Government (2022) *Western Australian State Budget 2022-23 – Budget Paper No 3 Economic and Fiscal Outlook*, p 17.

⁶² ABS (April 2022) *Labour Force, Australia, Detailed – February 2022*

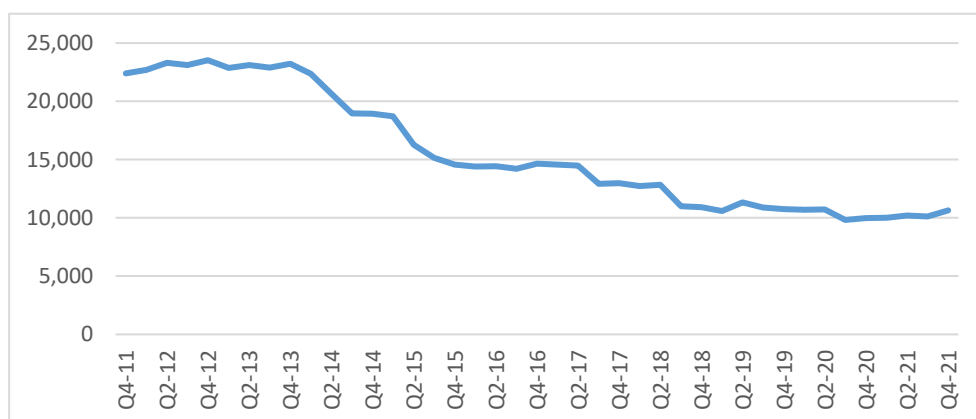
112. The concerns with reliance of WPI to measure wage growth was highlighted in the recent Reserve Bank of Australia (RBA) Monetary Policy Decision, which identified that:

The Bank's business liaison suggests that wages growth has been picking up. In a tight labour market, an increasing number of firms are paying higher wages to attract and retain staff, especially in an environment where the cost of living is rising. While aggregate wages growth was subdued during 2021 and no higher than it was prior to the pandemic, the more timely evidence from liaison and business surveys is that larger wage increases are now occurring in many private-sector firms.⁶³

113. The shift in market forces is currently having a significant impact on the earning potential of employees, which is not reflected in the WPI or the *Trends in Federal Enterprise Bargaining* report. (which shows an average annual wage growth of 2.1 per cent for the WA agreements lodged in the December 2021 quarter).⁶⁴

114. The Trends in Enterprise Bargaining report also has significant limitations, including the low number of agreements being approved and the inability to consider non-quantifiable wage increases (such as increases based on performance targets). In the December quarter of 2021, only 85 WA enterprise agreements were approved ⁶⁵, which is representative of the continued decline in the number of current federal agreements over the past 10 years.

Graph 22 – Federal agreements, Australia – current by quarter⁶⁶



115. As a result of these current trends, WPI and the *Trends in Federal Enterprise Bargaining* report do not accurately reflect growth in wages.

⁶³ RBA (2022) *Statement by Philip Lowe, Governor: Monetary Policy Decision – 3 May 2022*

⁶⁴ Attorney-General's Department (March 2022) *Trends in Federal Enterprise Bargaining Report – December 2021*, p27

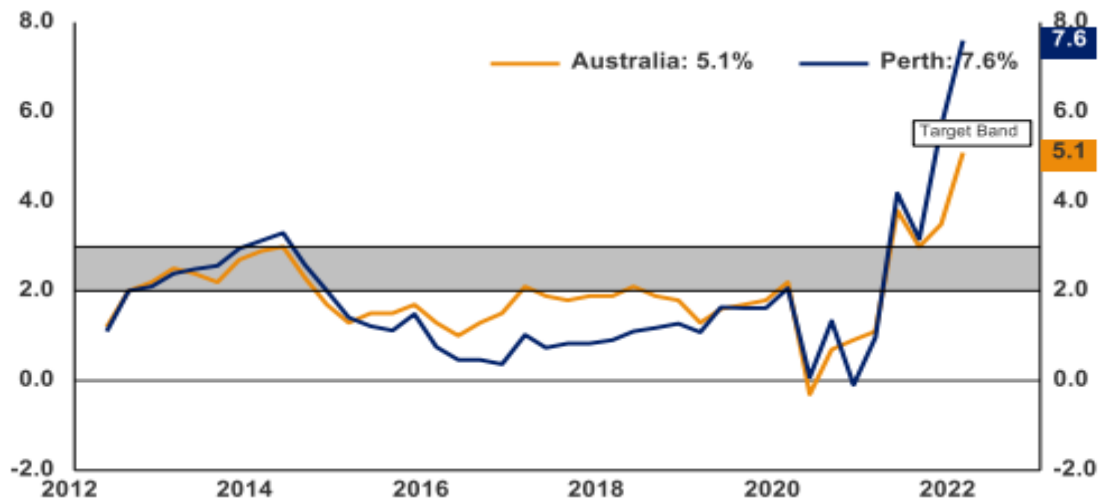
⁶⁵ Ibid

⁶⁶ Attorney-General Department (March 2022) *Historical Trend Data – current by the quarter*.

Inflation

116. WA has recently enjoyed a significant period of low inflation with CPI substantially below the RBA's target band of 2-3 per cent. There has been a dramatic shift in this situation, with the March quarter CPI showing annual inflation for Perth peaking at 7.6 per cent compared to 5.1 per cent nationally.

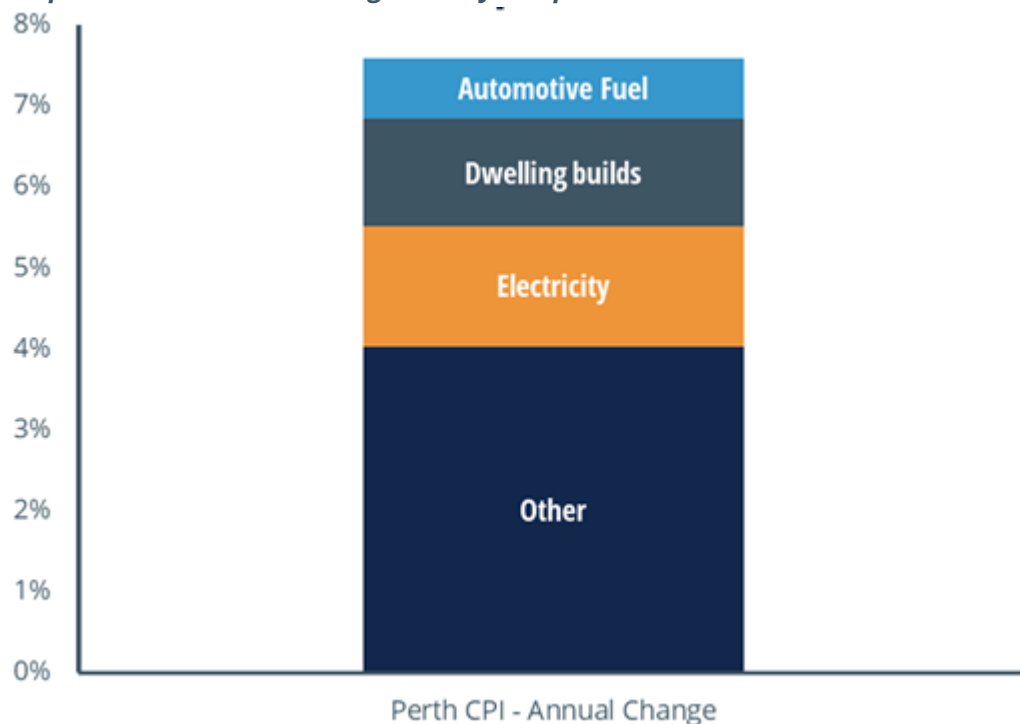
Graph 23 – Annual CPI growth⁶⁷



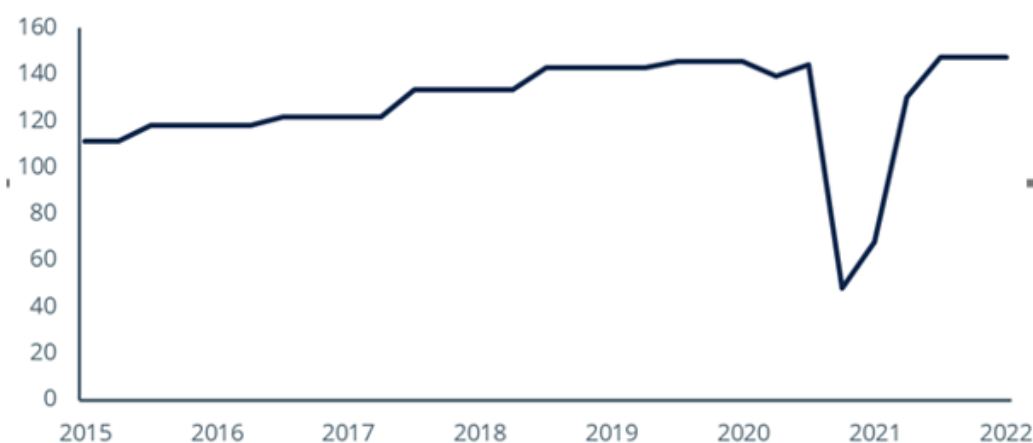
117. There are a number of short-term factors that have contributed to this spike which are not endemic of underlying inflationary pressures. As identified in the graph below, these include:
- 117.1. Fuel prices – The increase in fuel prices largely reflects exogenous factors including the Russian invasion of Ukraine and global easing of COVID-19 restrictions which has increased demand. Since the March survey, this pressure has been reduced as a result of the Federal Government's reduction to fuel excises that took effect on 29 March 2022.
 - 117.2. Dwelling building prices – The cost of building a new home has risen considerably in WA, sparked by the highest level of construction stimulus in the country. The effect of the increase to this component is not broad based given the limited number of households affected by this change.
 - 117.3. Electricity subsidy – In March 2021, the \$600 WA Household Electricity Credit Offset was still in effect resulting in prices for electricity being at near-historically low levels. As shown in Graph 25, as electricity costs returned to normal levels, the electricity component of CPI added approximately 1.5 percentage points to the annual figure.

⁶⁷ ABS (April 2022) [Consumer Price Index, Australia – March 2022](#).

Graph 24 – Perth annual CPI growth by component



Graph 25 – Electricity sub-index, Perth CPI



118. As a result of these factors, caution needs to be applied in considering headline inflation figure. The RBA has identified that:

Inflation has picked up significantly and by more than expected, although it remains lower than in most other advanced economies. Over the year to the March quarter, headline inflation was 5.1 per cent and in underlying terms inflation was 3.7 per cent. This rise in inflation largely reflects global factors. But domestic capacity constraints are increasingly playing a role and inflation pressures have broadened, with firms more prepared to pass through cost increases to consumer prices. A further rise in inflation is expected in the near term, but as supply-side disruptions are resolved, inflation is expected to decline back towards the target range of 2 to 3 per cent. The central forecast for 2022 is for headline inflation of around 6 per cent and underlying inflation of around 4¾ per cent; by mid 2024, headline and underlying inflation are forecast to have moderated to around 3 per cent. These forecasts are based on an assumption of further increases in interest rates.⁶⁸

⁶⁸ RBA (2022) *Statement by Philip Lowe, Governor: Monetary Policy Decision – 3 May 2022*

119. WA Treasury has also identified that supply chain disruptions related to Omicron absenteeism and weather events (such as the closure of the east-west rail route and east coast floods) have also had short term effects.⁶⁹ They anticipate that growth in inflation is “expected to moderate to 2.75% in 2022-23 as global and domestic supply pressures begin to ease”.⁷⁰
120. The sharp rise in inflation highlights the need for effective use of the tax transfer system to address the impact of inflationary pressure on low-income families. The SWC is a blunt instrument when addressing these changes and should not be viewed as an alternative mechanism to address any perceived shortcomings in the support provided to households through state or federal budgets.
121. Inflationary pressures also have a significant impact on WA businesses which are constrained in passing on additional costs to consumers. A high increase to wages through either the AWR or SWC will further increase inflationary pressures.

Threats to the WA economy

122. In considering the state of the WA economy, consideration should also be given to potential risks to forecast growth.
123. WA Treasury has identified that the COVID-19 pandemic remains a key risk at the state, national and global levels. They have identified that:
- “Experience highlights the potential for new COVID-19 variants to emerge which make any transition uncertain. Even if Western Australia continues to restrict transmission of any new outbreaks, there is a risk that an accumulation of cases across the rest of the country may dent confidence levels and further disrupt supply chains.”⁷¹*
124. Particular concern has been raised with respect to the impact *“more transmissible strains of COVID-19 pose challenges to China’s economy”*.⁷² China’s ongoing focus on eliminating the spread of COVID-19 has also been raised as a potential economic risk, with its lockdowns *“likely costing the country at least \$46 billion a month, or 3.1 per cent of GDP, in lost economic output, and the impact could double if more cities tighten restrictions”*.⁷³

⁶⁹ WA Government (2022) *Western Australian State Budget 2022-23 – Budget Paper No 3 Economic and Fiscal Outlook*, p 18

⁷⁰ Ibid p 8.

⁷¹ Ibid, p18

⁷² Ibid, p21

⁷³ Business Standard (30 March 2022) *Covid-19: China lockdowns costing \$46 billion a month, say experts*

125. WA Treasury also identify that:

“While the State’s interstate and international borders are now open, there is uncertainty about the pace of recovery in the State’s tourism and international education sectors. In particular, the extent of travel hesitancy is uncertain, as is the extent to which businesses continue to use online tools to hold meetings instead of travelling to meet in person.”⁷⁴

126. These highlight some of the uncertainties facing WA employers as they seek to navigate the raft of current challenges.

State Wage Case Principles

127. CCIWA does not propose any changes to the current SWC principles.

⁷⁴ Ibid, p19