



2023 State Wage Case

Chamber of Commerce and Industry WA

17 May 2023



Table of contents

1. Introduction.....	3
2. Economic Considerations.....	4
International Economic Outlook.....	4
National Economic Outlook	5
State Economic Outlook	6
<i>Challenges facing WA businesses</i>	7
<i>Rising costs</i>	8
<i>Labour shortages</i>	9
3. Labour Market Considerations.....	11
Labour Force	11
Wage Growth and Inflation	12
Impact of Superannuation Increases	14
4. Living Standards and Needs of the Low Paid.....	15
5. State Wage Case Principles	16

Industrial Relations Act 1979

In the Western Australian Industrial Relations Commission

Application No. 1 of 2023

2023 STATE WAGE ORDER

On the Commission's own motion

SUBMISSION BY THE CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA

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1. 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 Western Australian employers.
2. The SWC comes at a time when many WA businesses are under increasing strain and pressure, due to increasing costs.
3. However, many businesses have been unable to pass on these increasing costs, which has led to a significant deterioration in the profitability of WA businesses, especially small and family businesses. This has implications for the long-term viability of many businesses, which has been demonstrated in the substantial increase in insolvency figures from last financial year (58 per cent).
4. At the same time, price pressures facing consumers are rapidly easing. The latest Consumer Price Index (CPI) data shows that Perth is the most affordable place to live – seeing the smallest increase in inflation over the March quarter of all States (at 0.9 per cent) and experiencing the lowest rate of inflation of all States (year-on-year) as well.
5. All this also occurs against the backdrop of a global economy facing considerable economic uncertainty and instability.
6. High inflation has emerged as a critical threat coupled with supply chain disruptions, food insecurity, rising energy prices from the ongoing war in Ukraine and increasing pressure to decarbonise. Further volatility in relations between the US and China would directly impact WA businesses and our economy.
7. Globally, central banks have responded to escalating inflation by rapidly raising interest rates, but this has since driven many economies to the brink of recession, particularly European Union countries, the UK and USA.
8. High inflation has prompted the Reserve Bank of Australia (RBA) to raise the cash rate 11 times over a 13-month period, taking the cash rate from 0.1 per cent to 3.85 per cent. The last time Australia’s cash rate was at this level was April 2012.
9. This has resulted in a contraction of economic activity across Australia. As a trade dependent and open economy, WA is not immune to this economic contraction, and demand will undoubtedly soften over the coming years.
10. In recognition of the unpredictability of the global economic outlook and its impact on an open and trade-dependent economy like WA, we encourage taking a cautious approach in reviewing the State Minimum Wage (SMW) and Award rates of pay, by taking into consideration:
 - 10.1. The dominance of the resources sector in driving the State’s economic growth, which is not reflected within other sectors of the economy.

- 10.2. Businesses face significant challenges in doing business in WA, driven by labour shortages and the rising costs of doing business, which has ameliorated business profits, creating financial instability.
 - 10.3. Superannuation changes that will increase contributions to 11 per cent.
 - 10.4. Australia's rapid decline in the rate of inflation, reducing the need to build in unsustainable levels of wage growth which would only fuel further inflationary pressures.
 - 10.5. The introduction of a slew of provisions that will make life harder for business in the *Fair Work Amendment (Secure jobs, Better pay) Act 2022*.
 - 10.6. The role of the tax transfer system in supporting minimum wage earners.
11. We submit that this year's increase should:
- 11.1. be targeted towards meeting the needs of the low paid through a flat dollar increase.
 - 11.2. promote a fair system of wages and conditions of employment by not disadvantaging small business operators with an unsustainable and substantial rise in the minimum wage that is aligned with the rate of inflation.

2. Economic Considerations

International Economic Outlook

12. Global interest rates are increasing at the fastest pace in history in response to high inflation.
13. Global inflation is expected to decline this year, but even by 2024, headline and core inflation will still be above pre-pandemic levels in more than 80 per cent of countries. The International Monetary Fund (IMF) predicts inflation could remain high, particularly with continued labour market tightness and wage pressure requiring further tightening of monetary policies.¹
14. High inflation and the recent financial sector turmoil suggest that the global economy may face some difficulties in coming months.²
15. The Russia-Ukraine conflict has had a significant impact on the global economy. While the direct implications of the war in Ukraine have been modest, Australia is not immune to the effects. This conflict has impacted food security, energy prices and supply chains, globally.
16. The re-opening of China in December 2022, following extensive lockdowns, has been a positive development for the global economy, given it represents one of the most significant trading hubs. This has seen an easing of supply chain pressures.

¹ IMF (2023) *World Economic Outlook: A Rocky Recovery April 2023*

² Ibid

17. Global growth is expected to slow from 3.4 percent in 2022, to 2.8 percent in 2023. A critical issue for the global outlook is the slowing down of the three largest economies, the US, EU and China and the potential risk of a recession.³
 - 17.1. The IMF forecasts the US economy to slow to 2.1 per cent in 2022 and 1.6 per cent in 2023. The economic contraction is due to the aggressive approach to control inflation through rapid interest rate rises.
 - 17.2. The IMF forecasts the EU to experience a significant decline in economic activity, down from 3.5 per cent in 2022 to 0.8 per cent in 2023. This is a direct consequence of the Russia-Ukraine conflict, and the challenges associated with energy security.
 - 17.3. The IMF points to China being on a pathway to recovery, with growth forecasts moving from a low of 3.0 per cent in 2022 to 5.2 per cent in 2023 before reverting to 4.5 per cent in 2024. While these growth forecasts are strong, they are well below the average growth rate of around 7 per cent in the decade pre-COVID. There also remains some concern that China's recovery could stall, due to, for example, an unexpected surge in COVID infections, or via a significant slowdown in the property sector.

National Economic Outlook

18. Inflation in Australia remains stubbornly high, which – at 7.0 per cent – is very high in comparison to the national target of 2 to 3 per cent. This, however, has shown signs of improvement with inflation believed to have peaked in Australia.^{4 5}
19. The RBA forecasts headline inflation to decline to 4½ per cent by the end of 2023 and to reach 3 per cent by mid-2025.⁶
20. In response to high inflation, the RBA raised the cash rate 11 times between May 2022 and May 2023 – taking it from 0.1 per cent to 3.85 per cent in just over a year. These interest rate rises have slowed Australia's economy, impacting households and businesses alike with borrowing costs rising sharply, and economic activity slowing.
21. In 2022, growth in the Australian economy slowed, with Australia's GDP growth falling from 0.9 per cent in the June quarter to 0.7 per cent in September and then 0.5 per cent in December.⁷
22. In annual terms, GDP growth has declined from 4.6 per cent for the year to December 2021 to 2.7 per cent for the year to December 2022. GDP growth is expected to slow even further to 1.25 per cent at its lowest point, partly due to the impact that inflationary pressures and higher interest rates will likely have on consumption growth.^{8 9}

³ Ibid

⁴ ABS (2023) *Consumer Price Index, Australia December 2022*

⁵ RBA (2023) *Statement of Monetary Policy May 2023*

⁶ Ibid

⁷ RBA (2023) *Statement by Philip Lowe, Governor: Monetary Policy Decision April 2023*

⁸ RBA (2023) *Statement on Monetary Policy February 2023*

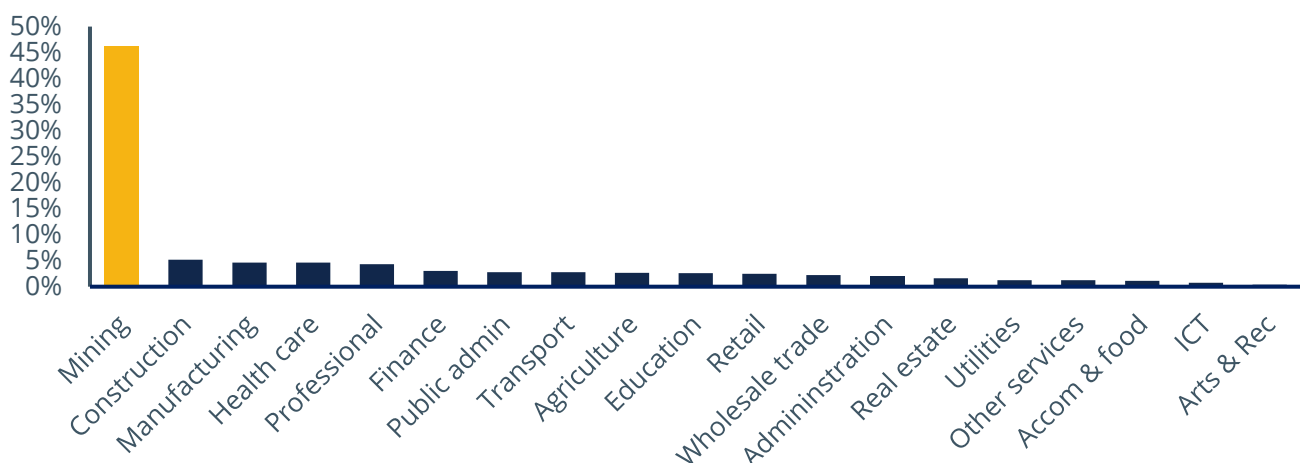
⁹ RBA (2023) *Statement of Monetary Policy May 2023*

23. In line with a subdued economic outlook, the national unemployment rate is forecast to remain around 3.5 per cent until mid-2023, before gradually rising as growth in output slows.^{10 11}
24. While wholesale energy prices have eased from their mid-2022 peaks, high fuel costs have kept them elevated compared to historical levels. For businesses, the national average energy price has increased by around 18 per cent over the past two years and a further increase of over 20 per cent is expected in the coming financial year.¹² Further increases in energy prices will continue to drive up the cost of doing business across the nation.

State Economic Outlook

25. There are two key factors that have underpinned WA's strong economic performance to date:
 - 25.1. Strong household consumption: Household consumption has remained solid, largely supported by significant savings buffers that households have built over the course of the pandemic, as well as rising incomes.
 - 25.2. Rebounding business investment: A raft of new investments were announced over the past year, most of which are in the resources and agricultural sectors. These, alongside an existing large pipeline of projects has resulted in significant growth in business investment.¹³

Figure 1: Nominal gross value added to WA's economy (2021-22)



Source: ABS (2023), *Australian National Accounts: State Accounts*

¹⁰ Ibid

¹¹ RBA (2023) *Statement of Monetary Policy May 2023*

¹² AER (2023) *Wholesale markets quarterly Q4 2022*

¹³ WA Treasury (2022) *Government Mid-year Financial Projections Statement 2022-23*

26. In addition, WA's economy continues to be overly reliant on a single industry for our economic prosperity as shown in Figure 1, with the mining sector still comprising over 46 per cent of the State's economy.
27. Despite the expansion of the State's economy over the past three years, mounting global and domestic headwinds are expected to see WA's economic growth moderate to 2.25 per cent in the coming financial year.^{14,15}
28. The full impact of higher interest rates is still yet to be realised, especially the impact of fixed mortgages needing to be refinanced in WA. As a result, the strong household consumption that has underpinned much of WA's economic growth over the past couple of years is expected to increase at its slowest pace since the pandemic.^{16 17}
29. Further to this, businesses in WA are reporting tight conditions, with profit margins getting tighter as the high cost of doing business makes it difficult for businesses to stay financially viable.
30. Rising cost pressures and labour shortages continue to be the biggest barriers to growth for WA businesses, with CCIWA's most recent Business Confidence survey identifying that 75 per cent of WA businesses see rising operating costs as hurting their ability to do business over the next 12 months. They also continue to struggle filling job vacancies.¹⁸
31. And while mining investment remains strong, non-mining investment is expected to soften, again due to elevated input costs and ongoing skills shortages which continue to weigh heavily on project feasibility.¹⁹

Challenges facing WA businesses

32. WA business confidence continues to sit at significantly lower levels than two years ago. Short- and long-term business confidence has declined substantially from September 2021 and has remained around those lower levels.
33. Business confidence for the next 12 months reflects the challenging economic conditions businesses in WA are operating in, with 42 per cent of businesses expecting business conditions to deteriorate and 35 per cent anticipating no change. Only 23 per cent of businesses expect business conditions to improve.
34. These concerns are reflected both in the metropolitan and regional areas as shown in Table 1. Table 1 also suggests that business confidence is higher in those regions where the resource sector dominates. Other regions, which are not as reliant on the resource sector, are

¹⁴ WA Treasury (2023) *2023-24 Budget. Economic and Fiscal Outlook. Budget Paper No. 3*

¹⁵ CCIWA (2023) *Outlook: Will we bottle it? March 2023*

¹⁶ Ibid

¹⁷ WA Treasury (2022) *Government Mid-year Financial Projections Statement 2022-23*

¹⁸ CCIWA (2023) *CCIWA Business Confidence Survey: March Quarter 2023*

¹⁹ CCIWA (2023) *Outlook: Will we bottle it? March 2023*

comparatively less optimistic about the next 12 months - underpinned by significant increases in operating costs and persistent labour shortages that are exacerbated by the lack of accommodation.

Table 1: WA regional business confidence

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	30%	48%	22%	17%	57%	26%
Great Southern	28%	22%	50%	22%	67%	11%
Goldfields-Esperance	45%	9%	45%	23%	54%	23%
Mid-West/Gascoyne	47%	20%	33%	20%	40%	40%
Pilbara	45%	36%	18%	55%	18%	27%
Kimberley	40%	20%	40%	30%	40%	30%
WA Regions	38%	27%	35%	25%	47%	27%
Perth and Peel	39%	29%	32%	23%	41%	36%

Source: CCIWA Regional Pulse, March Quarter, 2023

Rising costs

35. Rising cost pressures has become the most prevalent issue facing the WA business community, with 75 per cent of businesses identifying this as a barrier to growing their business over the coming year.²⁰ Rising interest rates and inflationary pressures have largely contributed to this.
36. The 11 rate hikes by the RBA are weighing heavily on businesses, with one in six WA businesses being put at risk as their loan repayments now either equal or exceed turnover, making viability a major concern. Some businesses have had to resort to drawing down on their cash savings, while more than a quarter of businesses have started to build contractual buffers.²¹
37. In addition to the high cost of borrowing, operating costs, including fuel, rent, materials, freight, energy and labour, continue to also climb and businesses are acutely feeling the impact as their profit margins get tighter.
38. The view that businesses across industries across Australia are making high profits as one justification for a substantial increase in the minimum wage has not been substantiated in the latest RBA's *Statement of Monetary Policy* report. The RBA suggests there is little evidence of there being broad-based increase in domestic non-mining profit margins and that aggregate profits have grown at a similar pace to labour income²².

²⁰ CCIWA Business Confidence Survey: March Quarter 2023

²¹ Ibid

²² RBA *Statement of Monetary Policy* May 2023

39. CCIWA's profitability index for the March quarter 2023 is 20 per cent lower than its high reached in the December quarter 2020.
40. Business sentiment around improving profitability over the March quarter 2023 is poor with around 57 per cent of businesses expecting a decline in profit margins, compared to only 12 per cent expecting an improvement. As shown in Table 2, industries, like food & accommodation services, retail trade, and health care & social assistance, where labour costs are a large proportion of the cost base and Awards are a significant method of setting pay, are even less optimistic about increasing profit margins.

Table 2: Profits margins – March quarter 2023

	Decrease	No Change	Increase
Agriculture, Forestry & Fishing	50%	50%	0%
Resources	63%	25%	13%
Manufacturing	66%	21%	13%
Utilities Services	50%	50%	0%
Construction	63%	33%	5%
Wholesale Trade	64%	27%	9%
Retail Trade	73%	19%	8%
Food & Accommodation Services	67%	20%	13%
Transport, Postal & Warehousing	18%	64%	18%
Information Media & Telecommunications	0%	80%	20%
Financial & Insurance Services	33%	33%	33%
Real Estate Services	69%	23%	8%
Professional, Scientific & Technical Services	50%	17%	33%
Education & Training	57%	43%	0%
Events Services	0%	67%	33%
Health Care & Social Assistance	70%	10%	20%
Arts & Recreation Services	25%	50%	25%
Total	57%	31%	12%

Source: CCIWA Business Confidence Survey: March Quarter 2023

Labour shortages

41. The availability of skilled labour persists as one of the biggest issues facing the WA business community, with 75 per cent of businesses identifying this as a barrier to growing their business over the coming year.²³
42. This is flowing onto higher labour costs with 81 per cent of businesses anticipating an increase. As seen in Table 3, this expectation applies across almost every industry sector.

²³ Ibid

Table 3: Labour costs per person – March quarter 2023

	Decrease	No Change	Increase
Agriculture, Forestry & Fishing	0%	23%	77%
Resources	0%	19%	81%
Manufacturing	2%	11%	87%
Utilities Services	0%	0%	100%
Construction	0%	16%	84%
Wholesale Trade	9%	18%	73%
Retail Trade	0%	31%	69%
Food & Accommodation Services	7%	7%	87%
Transport, Postal & Warehousing	0%	18%	82%
Information Media & Telecommunications	0%	20%	80%
Financial & Insurance Services	0%	100%	0%
Real Estate Services	0%	8%	92%
Professional, Scientific & Technical Services	0%	8%	92%
Education & Training	0%	21%	79%
Events Services	0%	0%	100%
Health Care & Social Assistance	0%	40%	60%
Arts & Recreation Services	0%	50%	50%
Total	2%	17%	81%

Source: CCIWA Business Confidence Survey: March Quarter 2023

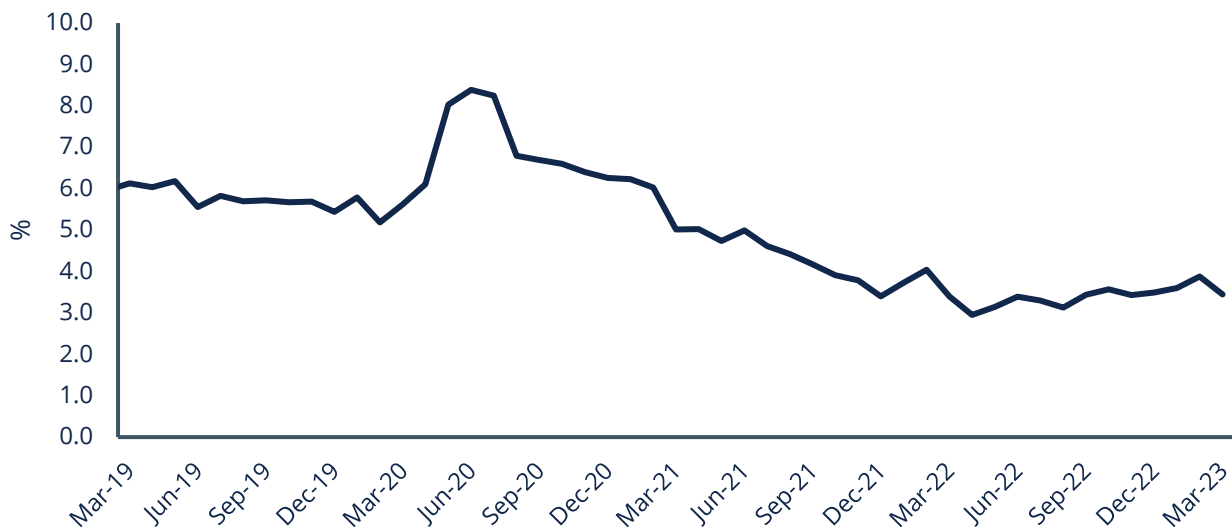
43. The combination of the above factors shows that businesses across industries are faced with difficult operating conditions. Labour shortages, soaring interest rates, and rising operating costs are placing an enormous amount of strain on profit margins. This has been reflected in a rising number of insolvencies this year.
44. Recent data released by the Australian Securities & Investments Commission identified that 416 companies in WA have entered external administration or have had a controller appointed for the first time this financial year to the end of the March quarter. There was only 264 recorded at the same time last year, representing a 58 per cent increase. This is already 44 more than the total number of company failures reported in 2021-22, with 3 months of data for this financial year remaining.
45. The increase in insolvencies across WA over the last 12 months also includes Award reliant industries. For example, the arts and hospitality sector has had a 44 per cent increase in insolvencies recorded from this time last year. This suggests the capacity of employers to bear even higher costs is already at a critical point and adding to these costs would place further undue strain and risk their viability.

3. Labour Market Considerations

Labour Force

46. Western Australia’s labour market remains tight. As noted in Figure 2, WA’s unemployment rate has consistently remained under 4 per cent since February 2022 and from November 2021 to February 2023, WA was one of a few states that had more job vacancies than unemployed people.

Figure 2: WA unemployment rate



Source: ABS (2023) *Labour Force, Australia March 2023*

47. The extremely low levels of unemployment is reflected in the labour shortages hampering WA businesses. These labour shortages are unlikely to be addressed by increases to the minimum wage, with the primary driver being low levels of population growth that resulted from restrictions in domestic and international travel during the pandemic.
48. While the reopening of international borders has alleviated some of the pressure, visa processing delays and strong global demand for skilled workers are expected to weigh on WA’s inbound migration pipeline and sustain ongoing tightness in WA’s jobs market for the immediate term.
49. With the impending slowdown of the international, national and state economies throughout this year, unemployment levels are expected to rise in the coming financial year. As consumers pull back on their spending and economic activity weakens, businesses will be forced to

respond by contracting their operations and reducing their workforce. WA Treasury expects the unemployment rate to rise to 4 per cent in 2023-24.²⁴

Wage Growth and Inflation

50. Based on the Wage Price Index (WPI), private sector wages in WA grew by 4.4 per cent in the year to March 2023, compared to national growth of 3.8 per cent.²⁵
51. However, data collected through CCIWA's Business Confidence Survey indicates that annual wage growth may be significantly higher as WA businesses, on average, have increased base wages by around 11 per cent as part of an annual wage setting process (Figure 3).²⁶
52. The WPI understates the growth in wages experienced over the past 18 months as it does not account for promotions both within and across companies. This is particularly of note at a time where many higher positions are being filled by promotions (as opposed to hires at the same level), given the shortage of skilled labour that has been experienced. Indeed, CCIWA's March 2023 Business Confidence survey found 59% of businesses were investing in upskilling existing employees²⁷.
53. Further, the WPI underestimates the real growth in wages, as it does not account for 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. In fact, results from CCIWA's Business Confidence survey in March 2023 indicate that one in five WA businesses are providing one-off financial rewards to existing employees.
54. As a result, the WPI does not accurately reflect growth in wages and any significant increase in the minimum wage would further blow out businesses' cost base given the cumulative effect it would have for businesses who may have already increased wages at or more than the rate of inflation.
55. Businesses in industries with a high share of Award-reliant employees, notably retail trade and accommodation & food services have, on average, increased their base wages by over 11.3 per cent – significantly higher than WA's CPI of 5.8 per cent.

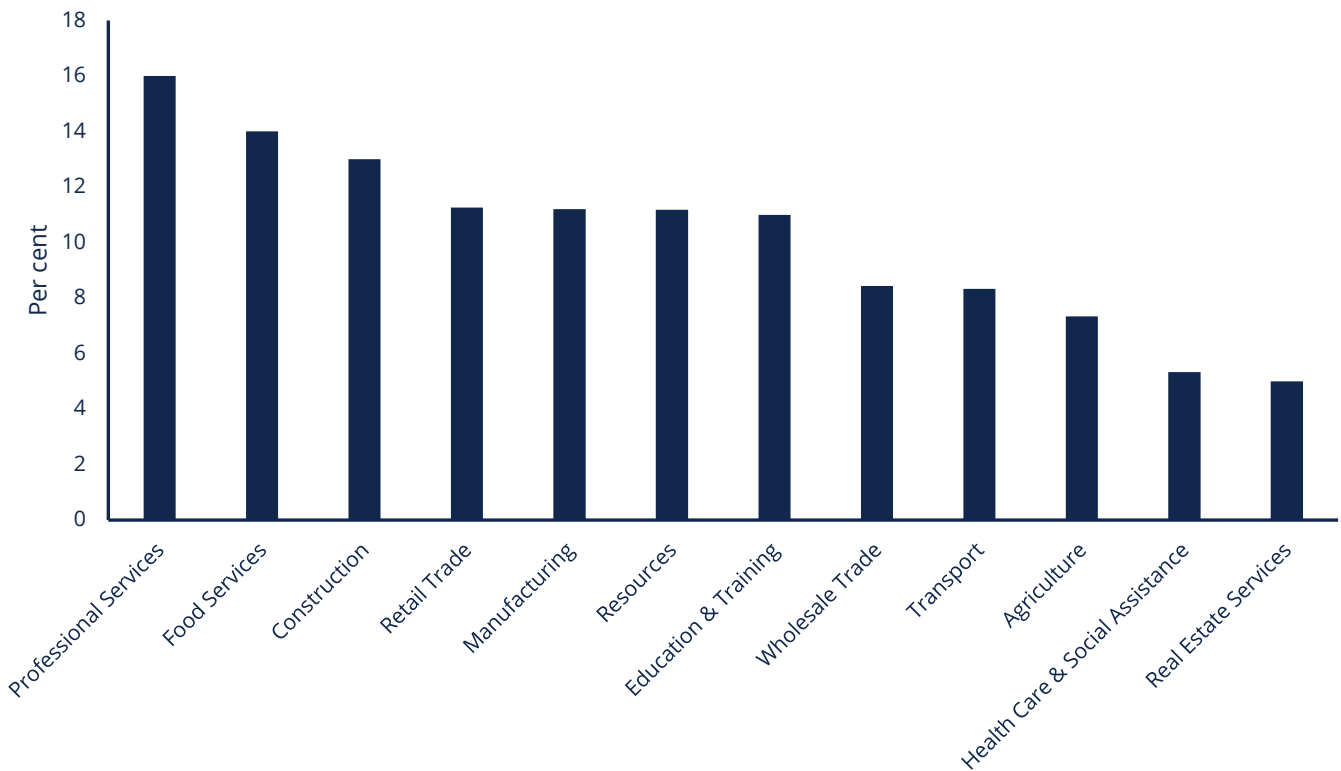
²⁴ WA Treasury (2022) *Government Mid-year Financial Projections Statement 2022-23*

²⁵ ABS (2023) *Wage Price Index, Australia March 2023*.

²⁶ CCIWA Business Confidence Survey: March Quarter 2023

²⁷ Ibid

Figure 3: Increase in base wages



Source: CCIWA Business Confidence Survey; March Quarter 2023

56. Any substantial increase in the minimum wage will also have implications for inflation. Inflation appears to have peaked and is expected to continue trending down as the year goes on. Another substantial increase in the minimum wage in 2023 would add price pressure as businesses increasingly have no choice but to pass higher costs on to consumers, which could slow the rate of decline in inflation.
57. This price-wage spiral is a significant concern for the RBA as *“stronger feedback between wages and prices would result in persistently higher inflation... which could lead to inflation expectations becoming de-anchored”*^{28 29}.
58. We are also yet to see the impact of the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) 2022*, which also has an intended aim of promoting further wage growth.

²⁸ RBA (2023) *Statement on Monetary Policy February 2023*

²⁹ RBA (2023) *Statement by Philip Lowe, Governor: Monetary Policy Decision April 2023*

Impact of Superannuation Increases

59. Superannuation forms an important part of an employee's overall remuneration. It is a key element of an employee's safety net that needs to be considered when reviewing the State Minimum Wage (SMW) and Award rates of pay generally.
60. Effective from 1 July 2023, statutory superannuation contributions will increase from its current rate of 10.5 to 11 per cent. For employers covered by the State system, this will result in an additional:
 - 60.1. \$213.17 per annum (\$4.10 per week) for a full-time employee on the SMW;
 - 60.2. \$241.46 per annum (\$4.64 per week) for a full-time employee on the equivalent to the C10 rate under the *Metal Trades (General) Award*; and
 - 60.3. \$280.25 per annum (\$5.39 per week) for a full-time employee on the equivalent to the C5 rate under the *Metal Trades (General) Award*.³⁰
61. It should also be noted that superannuation contributions are calculated on shift penalties, loadings and most allowances (other than expense allowances).³¹ 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.
62. As the Commission has previously recognised, statutory superannuation is a direct cost to employers which forms part of the total cost of employment.³² 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.
63. 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*"³³ by taking into consideration the full increase in superannuation when considering its SWC decision.
64. Further, the range of employees who are eligible to receive superannuation contributions has increased due to the passage of the *Treasury Laws Amendment (Enhancing Superannuation Outcomes for Australians and Helping Australian Businesses Invest) Act 2021*.
65. As of 1 July 2022, the exemption from superannuation contributions for employees who earn less than \$450 in a calendar month has been removed. It was estimated that these changes would benefit 3 per cent of employees, predominantly young workers engaged on a part time basis.³⁴

³⁰ Based on 2022 rates.

³¹ ATO (2009) *Superannuation Guarantee Ruling – SGR 2009/2*

³² 2021 WAIRC 00173 at 96

³³ *Ibid*

³⁴ *Treasury Laws Amendment (Enhancing Superannuation Outcomes for Australians and Helping Australian Businesses Invest) Bill 2021 – Explanatory Memorandum*, p7

4. Living Standards and Needs of the Low Paid

66. The Commission has previously recognised that *“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.
67. It is therefore appropriate for the Commission to consider relevant provisions of the State and Federal Government Budgets aimed at alleviating pressures experienced by the low paid, particularly cost of living.
68. Energy price relief was a key feature of both the 2023/24 Federal Budget and the 2023/24 WA State Budget, with all households to receive at least \$400 in electricity bill relief and up to \$826 for those with the highest needs. This will allow households to use income normally set aside to pay their power bills for other household expenses.³⁵
69. Another key measure included in this year’s Federal Budget to ease cost of living pressures was an expansion of the Parenting Payment Scheme where eligible single parents will receive \$922.10 per fortnight until their youngest child turns 14. Previously, the scheme could only be accessed until the youngest child turned 8 years old.³⁶
70. The Federal Budget will also help ease pressure on renters with the largest increase to Commonwealth Rent Assistance in over 30 years as the maximum rates are due to be increased by 15 per cent. Approximately 131,100 households in WA will benefit from this increase.³⁷
71. To address the cost pressures associated with housing on household budgets, a range of housing affordability schemes were announced in the 2022/23 October Federal Budget aimed at assisting Australians with home ownership, including for example, a shared equity scheme that enables eligible Australians to buy a home with a smaller deposit and smaller mortgage over the next four years. A regional scheme was also announced with 10,000 places available each financial year until 2026 to support regional first homebuyers to purchase new or existing homes with a deposit of as little as 5 per cent.³⁸
72. In addition, due to previous State Government investment in social housing, an additional 1,000 social homes have or will soon enter the market, which will take some pressure off WA’s rental market.³⁹
73. The Cheaper Child Care scheme introduced in the 2022/23 Federal Budget will come into effect from July 2023. Childcare subsidy rates will increase up to 90 per cent for eligible families earning less than \$530,000 and is expected to increase workforce participation rates, enabling an

³⁵ *Federal Government (2023) Budget October 2022-23: Cost of living relief*

³⁶ *Ibid*

³⁷ *Ibid*

³⁸ *Ibid*

³⁹ *WA State Government (2023) \$511 million injection builds on record investment in social housing and homelessness*

estimated extra 37,000 full-time workers to enter the workforce in 2023-24. This will also deliver substantial savings for families annually.⁴⁰

74. Aside from the electricity bill credit, the WA State Government has also introduced other schemes that will further assist eligible households with their energy costs and are also offering transport-related schemes, including for example, the Regional Airfare Zone Cap Scheme to provide affordable flights for regional residents and free public transport on the first Sunday of every month.⁴¹
75. We also note that by having a financially strong and stable State Budget, the WA State Government retains the capacity to respond to future cost-of-living pressures with other targeted measures.

5. State Wage Case Principles

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

⁴⁰ Ibid

⁴¹ WA Government (2023) *Western Australia State Budget 2023-24: Cost of Living*