

## Productivity, Pay Rates and Power (Part 2)

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### *Abstract*

*The Albanese Labor government announced that improving Australia's recent poor productivity experience was to be a key policy objective of its second term on the Treasury benches. This prompts two key questions. The first of these is: "What is productivity and why is it important?" Many economists as well as politicians have drawn attention to the key role of improvements in productivity to increased living standards by allowing for sustainable improvements in real wages.*

*However, the answer to these questions prompts a second line of inquiry which is equally important: "Is there a guaranteed link between improving productivity and real wages? How does this relationship work in the Australian industrial relations context? Does it, in fact, work at all?"*

*In this two-part article series, the authors first looked at what is – and what is not – the real meaning of productivity. In this second article, the authors challenge the notion of an automatic link between productivity gains and increases in real wages and ask whether workers have shared equitably in improving productivity in recent times.*

**Keywords**

*Productivity, labour productivity, income shares, wages, industrial awards and agreements, Annual Wage Review, collective agreements, enterprise bargaining agreements, Fair Work Australia, bargaining ‘margins’, multi-employer and industry wide bargaining, union density, workplace power.*

**Productivity and award wages**

How is improved productivity flowed to Australian workers in practice? Firstly, modern award covered employees may benefit from increases in minimum award wages as a result of decisions of the Fair Work Commission through its Annual Wage Review, which sets the level of the minimum wage and award wages. The Commission’s Expert Panel considers the level of these wages each year. Under the Act, the Expert Panel is directed to consider a large number of factors in setting minimum award wages.

Section 284 of the Act sets out the minimum wages objective and provides that “The FWC must establish and maintain a safety net of fair minimum wages, taking into account” *five* criteria including *one* that refers directly to productivity:

- (a) the performance and competitiveness of the national economy, including productivity, business competitiveness and viability, inflation, and employment growth

Section 134 sets out an even longer list of criteria in respect to modern awards themselves and provides that “(1) The FWC must ensure that modern awards, together with the National Employment Standards, provide a fair and relevant minimum safety net of terms and conditions, taking into account” no less than *ten* criteria including *three* that can be taken to refer to productivity. These are

- (d) the need to promote flexible modern work practices and the efficient and productive performance of work; ...

(f) the likely impact of any exercise of modern award powers on business, including on productivity, employment costs and the regulatory burden; ...

(h) the likely impact of any exercise of modern award powers on employment growth, inflation and the sustainability, performance and competitiveness of the national economy.

Productivity is just one of a range of issues in section 284 that the Expert Panel is required to consider in establishing and maintaining a safety net of fair minimum standards. It must therefore balance a number of considerations in coming to its decision each year.

The range of considerations in Parts 284 and 134 need not necessarily be viewed as entailing a trade off, and may also be mutually reinforcing. One of the challenges is that the Fair Work Act criteria reflect a neoliberal underpinning in which it is assumed that raising wages and conditions may run counter to productivity and employer viability.

Similarly, in establishing modern awards, the Commission itself must consider the “likely impact” of the exercise of its award-making powers on business, including on productivity and employment costs, their regulatory burden as well as on other matters such as employment growth, inflation, and the general performance of the national economy. It is a big ask.

In its consideration of the level of any minimum wage and award wage rise each year, the Fair Work Commission's Expert Panel does consider the level of productivity changes in the economy in the previous period as revealed in the relevant figures from the Australian Bureau of Statistics ('ABS'). The decision each year discusses these factors in some depth in response to submissions by the parties, including unions, employers, and the Government in determining the level of any increase.

In days gone by, there was, for a period, a productivity wage case taken by the Australian Council of Trade Unions ('ACTU') separate and distinct to the regular ‘cost of living’ wage cases. As a

result, it was clear what increase, if any, and how much, was being flowed to workers through award wages as a result of increasing productivity. Now it is just one factor among many.

In its 2024 Annual Wage Review decision, the Expert Panel specifically declined to increase wages on account of changes in productivity.<sup>ii</sup> In 2025, the Panel did factor in an increase on the grounds of productivity. The Panel noted that:

Australia's continuing poor performance in labour productivity growth has operated as a restraining factor on the size of the increase we have determined. However, that problem is primarily located in the non-market sector, where there has been significant growth in employment in the healthcare and social services sectors in recent years. In the market sector, there has been modest growth in labour productivity over the current multi-year cycle, which indicates some capacity for business to pay for a modest increase in real minimum wages. Certainly, the productivity problem will not be resolved by the indefinite continuation of the reduction in real wages which has occurred over the last four years.<sup>iii</sup>

The Expert Panel specifically considered productivity changes in three industry sectors which are significantly award reliant, namely Accommodation and Food services, Retail and Administration and Support Services.

So, while poor productivity was a “restraining factor” on the size of the 2025 wage increase, there was “some capacity for business to pay for a modest increase in real minimum wages”. The difficulty for observers and participants in this process is that it is completely impossible for those not in the room when the Expert Panel was deliberating to know exactly what proportion of any increase was derived from improvements in productivity as distinct from other factors, such as consumer prices. And, of course, any increase flowed into minimum and award wages is an average of the performance of all industries in the economy – those which both performed better and those that performed worse than the average.

### **Enterprise bargaining and productivity**

The other way productivity improvements might be flowed on to workers is through enterprise bargaining. When it was first proposed, enterprise bargaining was said to be able to unlock massive increases in workplace productivity – up to 20%. Those gains would then be shared between individual firms and their employees through increased wages levels negotiated via collective agreements.<sup>iv</sup> But has this happened? The answer appears to be “no.” And the culprit may be enterprise bargaining itself.<sup>v</sup>

For gains in productivity to be genuinely shared, workers must have sufficient bargaining power to translate productivity improvements into higher real wages at the enterprise level. This in turn assumes an industrial relations system that promotes genuine, good faith bargaining and the existence of unions with sufficient membership density and strength to require employers to share productivity gains on an equitable basis.

In the later 1980s and early 1990s, when enterprise bargaining was being introduced, overall union density in Australia was 40 per cent of the relevant workforce: 45 per cent for males and 34 per cent for women. Overall union density in 2024 was just over 13 per cent.<sup>vi</sup> While this was a slight pickup in union numbers, calculations based on the ABS data showed that union density in the private sector had declined over the previous two years and now stands at just less than 8 per cent.<sup>vii</sup>

The system of enterprise bargaining first introduced into Australia’s industrial relations legislation by the Industrial Relations Reform Act of 1993 and continued under subsequent legislation including the current Fair Work Act is predicated on the industrial parties being able to exercise industrial power to ‘encourage’ each other to make a fair bargain, including through the right to take protected industrial action.<sup>viii</sup> At the time the act was drafted, it may have been assumed that the ability to bargain was on an equitable basis. If so, any such assumption is no longer valid. The present Act continues a false assumption that the ability to bargain is on an equitable basis.

Only unions can effectively initiate protected industrial action in the form of strikes, bans or other work limitations – this is practically impossible for unorganised workforces. Thus, non-union workforces have no industrial muscle with which to encourage their employers to strike a fair bargain. Thus, in the private sector, 92 per cent of workers have no capacity to bargain effectively and may be considered to be ‘free riding’ on the industrial strength that unions bring to bargaining in organised sectors. The marginalisation of unions is structurally encoded in the Fair Work Act...

All enterprise agreements are made between employers and their employees. Unions may be appointed bargaining agents by their members. But employers can, and do, propose agreements directly to their employees, effectively on a ‘take it or leave it basis,’ without any union involvement or fearing any protected industrial action in response. Such agreements may not be bargained in good faith and may result in ‘unequal treaties’ which, if they at least scrape past the “Better Off Overall Test” (BOOT), can have the force of law. They may offer little more than the award rates of pay.

The Fair Work Act continues the marginalisation of unions that commenced with WorkChoices (or arguably with the Industrial Relations Reform Act 1993) by removing their special status as the exclusive representative of employees and a party to collective agreements and relegates them to just being one type of representative and anyone can be such a representative. The Act continues to deprive unions of any special status as the exclusive collective social partner that business must negotiate with and helps business circumnavigate them, further weakening the unions' position power and attractiveness to workers.

Under the Fair Work Act and its immediate predecessors, agreement bargaining has, for the most part, been structurally mandated to occur almost exclusively at the enterprise level. Under most circumstances, agreements can only cover employees of a single enterprise. A previous conservative government legislated to effectively prevent so-called ‘pattern bargaining’, a bizarre concept which

basically prevented more co-ordinated or sector-wide bargaining, forcing unions to bargain with each and every employer and punishing individual employers for agreeing to higher wages when their competitors in the industry did not have to. Multi-employer or sectoral bargaining seeks to flow wages and conditions from one employer to another and is the standard in most of Europe, including Germany, Austria, Sweden, Denmark, Norway, and France, reducing wage inequality and excessive competition on labour costs, supporting the integration of vulnerable workers (youth, part-time, workers women) and providing stability and predictability for employers. In Australia, if this 'pattern bargaining' occurs, any industrial action taken in support cannot be protected industrial action, leaving unions exposed to significant common law liability.

Until recent reforms in 2022–2023, multi-employer agreements were largely restricted to “low-paid” workers covered by award-reliant employees and were very rarely able to be used. Under changes made to the Act by the Albanese Labor Government in its first term, access to multi-employer bargaining agreements has been extended in three different forms. In two of these forms, protected industrial action is possible under certain circumstances where a ‘single interest employer’ or ‘supported bargaining’ authorisation is made by the Fair Work Commission. A relatively small number of such applications have so far been made covering limited numbers of employers and employees.

Employers with fewer than twenty employees cannot be covered by single interest employer declarations, nor can any employer in the building and construction industry. To date, it appears, because of the in-built limitations in the Act, that these new provisions will do little to broaden the scope of enterprise agreements generally, but these types of agreements may be important in some sectors, such as early childhood education. It is not clear that workers in areas of skills shortages across enterprises stand to benefit either.

The Objects of the Fair Work Act still explicitly include an “emphasis on enterprise-level collective bargaining”<sup>ix</sup> in preference to any other form of bargaining. Under the current scheme, single enterprise bargaining will remain the norm in Australia, even though several OECD studies confirm more centralised bargaining results in better outcomes for workers, including in terms of both employment and wage outcomes.<sup>x</sup>

In many OECD countries, 90 percent or more of employees are covered by collective agreements, meaning workers receive wages and conditions beyond mere minimums. According to the most recent data on the extent of enterprise bargaining in Australia in March 2025, there were 11,104 current workplace agreements covering 2,671,700 employees, a record number of workers covered by agreements, but accounting for approximately a mere 34 per cent of employees.<sup>xi</sup> Further, nearly 70 per cent of these agreements cover employees in just two broad industry sectors: the building and construction and metals and manufacturing industries, with traditionally high union membership.<sup>xii</sup>

By contrast, in the Accommodation and Food services industry, with low union representation, there were just 109 agreements covering a mere 21,800 employees at the end of March, a drop of more than half the number of employees covered in the last three years. Two-thirds of employees overall are not covered by collective agreements at all and are thus paid either in accordance with an award or are on an individual arrangement as defined by the ABS.

As all agreements are now technically made between employers and their employees, it is difficult to tell whether the agreements made are as a result of robust union-led bargaining or are employer-initiated agreements. Of the 11,104 agreements current in March 2025, only 8,656 had wage increases that could be quantified by the Department of Employment and Workplace Relations <sup>xiii</sup>. Presumably, the rest rely on minimum rates awards to set the rates of pay (some agreements either replicate award rates or adjust wages by the same amount as the Annual Wage Review decision).



Under enterprise-based bargaining, employers are incentivised to lower wage costs by either keeping employees on minimum rates awards or by getting agreements that keep labour costs as low as possible, especially in relation to their competitors in a particular industry sector. They are not incentivised to share productivity gains. In this sense the enterprise bargaining system works against spreading the benefits of productivity increases – or even gaining them at enterprise level as employers have no incentive to pass them on to workers.

What has been the result? Unsurprisingly, productivity gains have not been flowing to employees. According to the retail workers union, the SDA, in a report prepared in advance of the Government’s Productivity Roundtable, productivity in the retail industry over recent years has increased by 26%, while real wages have fallen by one per cent, implying a productivity ‘debt’ of 27 per cent.<sup>xiv</sup>

It is not difficult to see why retail workers have failed to share in productivity improvements in the retail industry. The ABS periodically publishes employee earnings by method of pay setting: award only, agreement or individual arrangement. The latest figures – on an hourly rate of pay basis – are shown in the table below:

**Table 1: NON-MANAGERIAL EMPLOYEES, Average hourly total cash earnings–Method of setting pay, Industry<sup>xv</sup>**

AVERAGE HOURLY TOTAL CASH EARNINGS (\$)	Award only	Collective agreement	Individual arrangement	All meth- ods	Bargaining margin
Mining	35.70	64.70	71.90	69.10	81.23
Manufacturing	29.30	44.60	43.00	40.80	52.22
Electricity, gas, water and waste services	32.70	59.70	56.60	57.30	82.57
Construction	28.30	59.80	44.90	45.00	111.31
Wholesale trade	29.20	38.10	45.40	42.50	30.48

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Retail trade	28.10	29.00	38.10	31.40	3.20
Accommodation and food services	27.20	26.90	35.40	29.10	-1.10
Transport, postal and warehousing	34.60	46.70	43.90	43.80	34.97
Information media and telecommunications	32.50	52.60	62.20	56.60	61.85
Finance and insurance services	35.60	54.30	50.20	51.50	52.53
Rental, hiring and real estate services	29.40	49.30	42.90	41.00	67.69
Professional, scientific and technical services	32.20	49.10	55.70	53.00	52.48
Administrative and support services	32.20	40.00	48.40	40.40	24.22
Public administration and safety	47.10	50.70	51.40	50.20	7.64
Education and training	35.20	53.80	45.60	51.60	52.84
Health care and social assistance	41.80	52.00	44.80	47.20	24.40
Arts and recreation services	31.10	38.10	42.90	37.60	22.51
Other services	30.00	41.50	37.10	35.10	38.33
<b>All industries</b>	<b>33.00</b>	<b>48.40</b>	<b>47.00</b>	<b>44.00</b>	46.67

The column at the right has been calculated by the authors to show what might be called the ‘bargaining margin’ gained by workers covered by enterprise agreements as opposed to workers paid only award rates. While some workers, e.g. in construction, enjoy a bargaining margin of over 100 per cent, earning more than double the award rate, retail workers, over the whole period of enterprise bargaining have managed to achieve an hourly margin of just 3.2 per cent more than the award rate.

The data in the table above relates to all non-managerial employees in each industry sector and reflects hourly cash earnings. Clearly, in a number of industries, especially in the retail and the accommodation and food services sectors, this will include a large number of junior, part-time and

casual employees. The ABS publishes the same data for weekly earnings and for Full-time Non-managerial employees paid at the adult rate. This data set obviously excludes juniors, part-time employees and many casuals. The different data sets provide different bargaining margins. The tables below, prepared by the authors from ABS Employment Earnings and Hours data show the bargaining margins for these four categories of employees as well as the “all industries” bargaining margin.<sup>xvi</sup>

**Table 2 – Bargaining margins: Retail and Accommodation and food services industries**

**Retail industry**

<b>Full-time Non-Managerial Employees paid at the Adult rate</b>		
	Margin in Retail	All industries margin
Hourly	4.61%	37.67%
Weekly	2.56%	38.29%
<b>Non managerial employees</b>		
Hourly	3.20%	46.67%
Weekly	-0.98%	79.19%

**Accommodation and food services industry**

<b>Full-time Non-Managerial Employees paid at the Adult rate</b>		
	Margin in Accommodation and food services	All industries margin
Hourly	7.33%	37.67
Weekly	17.73	38.29
<b>Non managerial employees</b>		
Hourly	-1.10%	46.67%

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Weekly	27.36%	79.19%

As can be seen with respect to the retail industry, no matter how these figures are calculated, there is no significant bargaining margin for any of these sets of retail employees. Weekly adult non-managerial employees covered by an agreement are paid less than award paid employees, an outcome which should not be possible (and is not accounted for by the presence of non-full-time employees in the data set).

According to the same ABS data, in the retail sector there are approximately the same number of award covered employees [439,400] as agreement covered employees [443,400]. Thus, being agreement-covered produces little in the way of additional pay for retail employees. Retail agreements frequently contain wage rates only modestly above award rates and/or periodic increases mimicking movements provided by Annual Wage Review decisions. There is no general or industry-specific productivity gainsharing.

In the Accommodation and food services industry, the position is mixed: agreement covered non-managerial employees actually earn less than award only employees, *on an hourly basis*, which should also not be possible, but may be explained by a high level of junior, casual and part-time employees. By contrast on a *weekly wage* basis non-managerial employees Accommodation and food service employees covered by an agreement do much better than their award only counterparts (about 27.5%), but there are not many of them. Full-time non-managerial employees enjoy just a 7.33% margin on an hourly basis and 17.73% on a weekly basis.

However, unlike the Retail sector, award-only payment arrangements dominate the Accommodation and food services sector. There are nearly five times as many award-covered workers

in this sector as agreement-covered employees, 118,600 agreement covered compared to 576,200 award only employees. In both sectors bargaining margins compare poorly to the all industries margin and to all other industries except public administration where agreements are in effect paid rates awards and there is no significant bargaining margin as such.

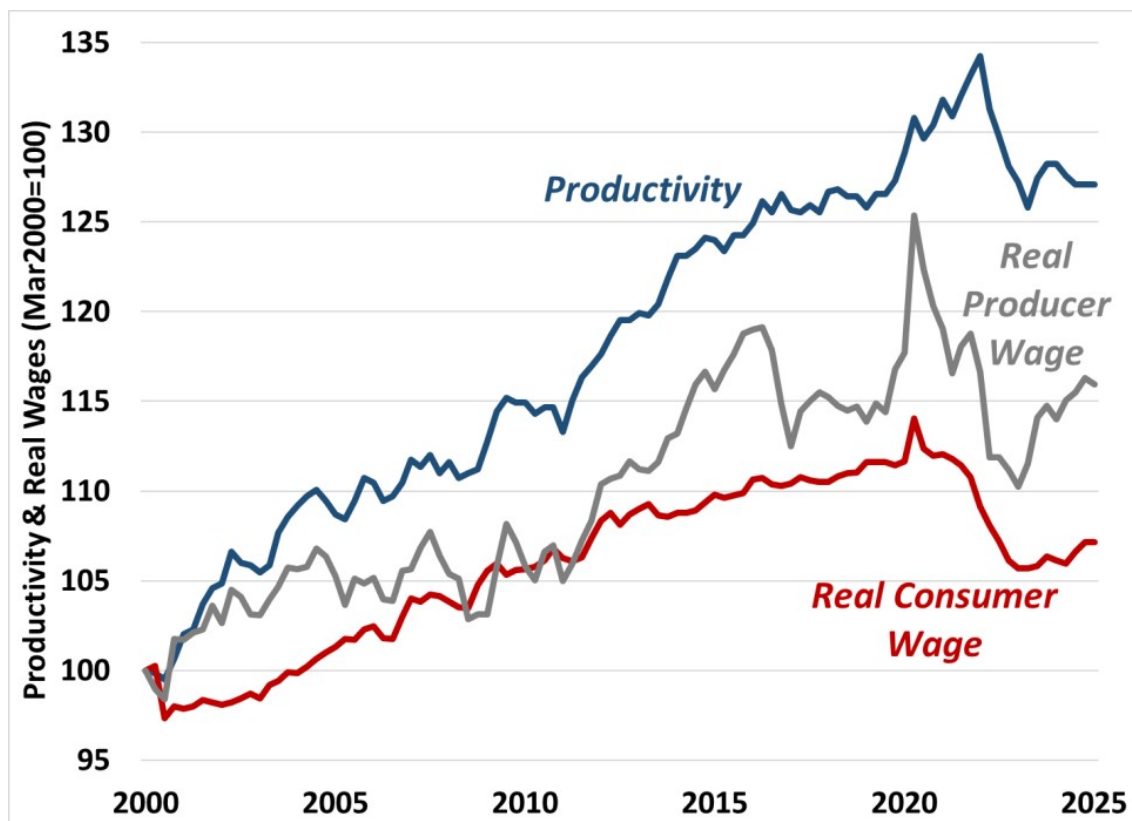
These two industries demonstrate the absolute failure of the collective bargaining system to deliver better wages for their workers compared to minimum rates awards. In the retail industry workers have not won their share of productivity increases and accommodation and food services is dominated by award-only pay. In terms of economy-wide productivity, the data suggests that, overall, workers are failing to share in productivity gains across the board.

A recent paper produced by the Australia Institute, also in the run up to the Productivity Roundtable, spoke much sense about Australian productivity and its relationship to wages. This publication, *Productivity in the Real World: What it is, what it isn't, and how to make it work better for workers* by Jim Stanford<sup>1</sup> offers a sober and insightful explication of the subject and especially its relation to real wage outcomes. <sup>xvii</sup>

Stanford's paper considers a number of ways to measure productivity and its relationship to real wages and contains the following chart:

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**Figure 14. Labour Productivity and Real Wages, 2000-2025**

*Source: Calculations from ABS Australian National Accounts: National Income, Expenditure and Product (Tables 1, 4 and 24), Wage Price Index (Table 1), and Consumer Price Index (Table 1). [P1407-Productivity-in-the-Real-World-web.pdf](#)<sup>xviii</sup>*

The producer wage adjusts employee compensation per hour by producer prices for output to show wages relative to output prices. The consumer wage adjusts the wage price index (WPI, a measure of wages which seeks to fix the proportions of occupations) by CPI, the changes in prices of a basket of consumer goods. This is compared with labour productivity, output per hour worked, in the chart above

The Stanford paper notes:

Since March 2000, real labour productivity has grown two-thirds faster than the national accounts measure of wages deflated by overall GDP prices. Productivity grew 27% in this time, compared to 16% for real (producer) wages. Meanwhile, productivity growth was almost 4 times faster than WPI wages deflated by consumer prices (which rose

only 7% since the turn of the century). Whichever wage and price measures are chosen, productivity has clearly grown much faster than real wages. If our measure of real consumer wages (WPI deflated by the CPI) had grown as fast as labour productivity since 2000, wages would be more than 18% higher today than they are. That would translate into about \$350 per week (or \$18,000 per year) in additional wage income for an average worker. If our measure of real producer wages had grown as fast as productivity, wages would be 10% higher than they are, translating into \$182 per week in additional earnings, or about \$9500 more over the past year.<sup>xix</sup>

An earlier paper by Stanford considers this situation in Australia and internationally over the longer term.<sup>xx</sup>

Despite the Productivity Commission having a view to the contrary, it seems clear that Australian workers have not shared equitably in productivity gains produced in the economy for some years, decades even. Enterprise bargaining has not served this function despite initial promises. The wages share of national income has steadily fallen and the profits share climbed during the period in which enterprise bargaining has been in operation.

In the post-World War Two period, the wages share of Total Factor Income (see definition in endnotes)<sup>xxi</sup> peaked at around 62 per cent in the mid-1970s and again in the early 1980s and declined thereafter. It fell below 50 per cent immediately before and during the COVID pandemic and although it has recovered somewhat it stood at just 53.8 per cent in December 2024.<sup>xxii</sup>

There have been similar experiences overseas in jurisdictions dominated by enterprise bargaining. For instance, in the United States, bargaining is also enterprise-based and union member density has been declining at similar rates and to similar levels as in Australia. In the U.S.A., the gap between wage growth and labour productivity growth has particularly widened since 1979, with wage growth being less than half that of productivity growth since then, according to the US-based Economic Policy Institute.<sup>xxiii</sup>

The divergence between productivity growth and its share going to employees in the U.S.A. has also coincided with a decline in unionisation density. Overall, less than 10 per cent of American workers are now union members, compared with around 25 per cent at 1979.<sup>xxiv</sup>

### **What is to be done?**

Enterprise bargaining, despite its early promises, has not delivered to Australian workers their fair share of national income flowing from improvements in productivity. Many employees are not covered by enterprise agreements at all and those that are may well be subject to agreements that do not provide a fair return to workers. Despite recent changes to the Fair Work Act to widen the scope of multi-employer bargaining, the expectation is that single enterprises will continue to be the focus of bargaining.

Even if multi-employer bargaining expands and protected industrial action can be exercised, the fact that around 90 per cent of employees are not union members means that employees have little ability to influence the bargaining process and its outcomes, other than in a small number of industries. This runs counter to the notion of wage increases flowing throughout the labour market.

The AIER has consistently called for a significant broadening of the scope of bargaining beyond the level of the enterprise. In *A New Work Relations Architecture – The AIER Model for the future of work*, AIER argued for the introduction of multi-level bargaining at the sector and industry level.<sup>xxv</sup> In part, AIER's recommendations were based on the experience of other countries in which industry level bargaining was the norm. This included certain of the Nordic countries as summarised in *The Nordic Edge – Policy Possibilities for Australia* (2017) – see chapter 6. In the Nordic nations, wages growth and incomes generally have been significantly higher than in Australia, as well as more equitably distributed.



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Wage bargaining in a number of these countries takes place largely at the industry level taking into account expected improvements in productivity in particular industry sectors.<sup>xxvi</sup>

While transitioning to industry-wide bargaining would not be a simple process in the Australian context, it offers the benefit of ensuring that a ‘race to the bottom’ is not the goal of employers and it offers the possibility of setting fair shares of productivity while allowing – and indeed encouraging – employers to compete by investment in technology, systems and people to produce better products and services. Employees are more likely to welcome the introduction of change if they see a fair share of the benefits flowing to themselves, as well as to customers and the businesses for which they work.

Measures must also be taken to boost unionisation rates in Australia. Any system based on bargaining – and indeed even in representation of employees in tribunals – must be based on the existence of robust and representative organisations of employees. Allowing union rates to decline catastrophically is a recipe for continuing and accelerating wage injustice.

### **Declaration of Interests**

Nil

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- <sup>i</sup> Keith Harvey and Margaret McKenzie are Executive Members of the AIER, Inc. Dr Margaret McKenzie is Senior Fellow at Per Capita. The views expressed are their own. The authors would like to thank James Fleming, Executive Director of the AIER for valuable comments and input into this article.
- <sup>ii</sup> [2024] FWCFB 3500, par 8
- <sup>iii</sup> [2025] FWCFB 3500, par 9
- <sup>iv</sup> Business Council of Australia, *Enterprise-Based Bargaining Units: A Better Way of Working*, Report by the Industrial Relations Study Commission (BCA, 1989); and Yi-Ping Tseng & Mark Wooden, *Enterprise Bargaining and Productivity: Evidence from the Business Longitudinal Survey*, Melbourne Institute Working Paper No. 8/01 (Melbourne Institute of Applied Economic and Social Research, July 2001).
- <sup>v</sup> For earlier work on this subject see: Renee Burns and Keith Harvey, *Collective Bargaining: Delivering for the public interest? The Ron McCallum Debate 2018 Discussion Paper*, Australian Institute of Employment Rights Inc., 2018: <https://www.aierights.com.au/wp-content/uploads/2018/10/Ron-McCallum-Debate-2018-discussion-paper.pdf> and Ben Redford and Keith Harvey, 'Bargaining in the New Work Architecture', Chapter 8, in *A New Work Relations Architecture*, James Fleming [ed] Hardie Grant Books, 2021 ,
- <sup>vi</sup> <https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/trade-union-membership/aug-2024#trade-union-membership-over-time>
- <sup>vii</sup> <https://www.theaustralian.com.au/nation/private-sector-union-membership-at-record-low-79-per-cent/news-story/f605166f46bbf30c5eb01c9eb4ee2411>
- <sup>viii</sup> See *Second Reading Speech*, House of Representatives Hansard, 28<sup>th</sup> October 1993 at page 2777f
- <sup>ix</sup> Fair Work Act 2009, s 3(f).
- <sup>x</sup> See: OECD (2019) *Negotiating Our Way Up: Collective bargaining in a changing world of work*. Paris: OECD Publishing, pp. 135. Available at: [https://www.oecd.org/content/dam/oecd/en/publications/reports/2019/11/negotiating-our-way-up\\_16bd8a10/1fd2da34-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2019/11/negotiating-our-way-up_16bd8a10/1fd2da34-en.pdf) (Accessed 26 November 2025); OECD (2018) *OECD Employment Outlook 2018*. Paris: OECD Publishing, pp. 75. Available at: [https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/07/oecd-employment-outlook-2018\\_g1g8f61d/empl\\_outlook-2018-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/07/oecd-employment-outlook-2018_g1g8f61d/empl_outlook-2018-en.pdf) (Accessed 26 November 2025).
- <sup>xi</sup> Department of Employment and Workplace Relations, *Trends in Federal Enterprise Bargaining*, March quarter 2025, pp 5,14. Agreement coverage figures are from the ABS Employees Earnings and Hours data for 2023.
- <sup>xii</sup> Ibid, Table 8
- <sup>xiii</sup> <https://www.dewr.gov.au/enterprise-agreements-data/resources/trends-federal-enterprise-bargaining-march-quarter-2025>
- <sup>xiv</sup> [https://www.sda.au/wp-content/uploads/2025/08/2025-08-18\\_SDA\\_McKell-Institute-Report\\_Achieving-the-Productivity-Promise.pdf](https://www.sda.au/wp-content/uploads/2025/08/2025-08-18_SDA_McKell-Institute-Report_Achieving-the-Productivity-Promise.pdf)
- <sup>xv</sup> ABS, *Employee Earnings and Hours*, May 2023, 63060DO005\_202305, Table 4 [Non managerial employees]
- <sup>xvi</sup> ABS, *Employee earnings and Hours*, May 2023, 63060DO007, Table 3 [Full-time non managerial employees paid at the adult rate]
- <sup>xvii</sup> The Centre for Future Work at the Australia Institute, July 2025, page 56
- <sup>xviii</sup> P1407-Productivity-in-the-Real-World-web.pdf
- <sup>xix</sup> <https://australiainstitute.org.au/wp-content/uploads/2025/07/P1407-Productivity-in-the-Real-World-web.pdf>
- <sup>xx</sup> Jim Stanford, *The Declining Labour Share In Australia: Definition, Measurement, And International Comparisons*, *Journal of Australian Political Economy*, No. 81, pp. 11-32 [2018]
- <sup>xxi</sup> Total factor income (TFI) is the sum of compensation of employees, gross operating surplus and gross mixed income. Wages share of TFI is the percentage of TFI that is made up by compensation of employees (COE).
- <sup>xxii</sup> ABS, *Australian National Accounts: National Income, Expenditure and Product*, June 2025, Table 24 and Fair Work Commission, *Statistical report—Annual Wage Review 2025 Version 5 15 May 2025*, p 24 [Chart 3.1]
- <sup>xxiii</sup> <https://www.epi.org/blog/the-widening-productivity-pay-gap/>
- <sup>xxiv</sup> <https://www.briefingbook.info/p/deliberate-policy-decisions-have> - Figure D and related data
- <sup>xxv</sup> James Fleming, [ed], *A New Work Architecture – The AIER Model for the future of work*, Chapter 8 and Appendix, Major Reforms
- <sup>xxvi</sup> Andrew Scott and Rod Cambell, [eds.] *The Nordic Edge – Policy Possibilities for Australia*, Chapter 6, especially pages 132-136