



**THE HON DR JIM CHALMERS  
MP**  
Treasurer

**THE HON TONY BURKE MP**  
Minister for Employment and  
Workplace Relations  
Minister for the Arts

**SENATOR THE HON KATY  
GALLAGHER**  
Minister for Finance  
Minister for the Public Service  
Minister for Women

Ref: MS23-000925

Justice Adam Hatcher SC  
President  
Fair Work Commission  
Annual Wage Review 2022-23  
11 Exhibition Street  
Melbourne VIC 3000

Dear President

We write to draw your attention to updates in the Australian Government's 2023-24 Budget (the 2023-24 Budget) that the Expert Panel may wish to consider in making its 2022-23 Annual Wage Review decision.

The Government's position is unchanged since our initial submission. **We recommend the Fair Work Commission ensures the real wages of Australia's low-paid workers do not go backwards.**

The 2023-24 Budget, handed down on 9 May 2023, provides the latest macroeconomic and labour market forecasts, available in 'Statement 2: Economic Outlook' of *Budget Paper No. 1: Budget Strategy and Outlook 2023-24*.

Real GDP growth is expected to be 3¼ per cent in 2022-23 before slowing to 1½ per cent in 2023-24 and picking up to 2¼ per cent in 2024-25. As expected, inflation in Australia peaked in late 2022 and has begun to moderate. However, it remains unacceptably high, imposing significant cost of living pressures on low-paid workers. The unemployment rate is expected to remain at 3½ per cent in the June quarter of 2023 before rising modestly to 4½ per cent by the June quarter of 2025. There are no signs of a wage-price spiral developing and medium-term inflation expectations remain well anchored.


The Panel may also wish to consider *Budget Paper No. 2: Budget Measures 2023-24*. Budget Paper No. 2 provides details of measures that will take effect in 2023-24. It is a matter for the Expert Panel to determine which measures should be factored into its decision.

We trust this submission will assist the Expert Panel in its considerations.

Yours sincerely

  
**THE HON DR JIM  
CHALMERS MP**

  
**THE HON TONY BURKE MP**

  
**SENATOR THE HON KATY  
GALLAGHER**