

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2016 - 2017

Department/Agency: Treasury

Question: BET104-107

Topic: Wage Growth

Reference: Written - 6 May 2016

Senators: Penny Wong and Chris Ketter

Question:

"The government has revised upwards assumptions for wages growth since MYEFO. With Australians' wages growing at just 2.2% a year, what lies behind your assumptions of 3.5% growth.

104. Why are wages growing so slowly?

105. What is needed to restore wage growth?

106. What is the impact of sluggish wage growth on consumption?

107. What is the long term impact of low wage growth on consumption?"

Answer:

Refer to page 44 of the Hansard of 6 May 2016.