

## Senate Standing Committee on Education and Employment

### QUESTIONS ON NOTICE Additional Estimates 2015 - 2016

#### Outcome 2 - Workplace Relations and Economic Strategy

Department of Employment Question No. EMSQ16-000101

Senator O'Neill asked on 11 February 2016 on proof Hansard page 130

#### Question

##### Wage growth comparison

Senator O'NEILL: Can I just come back to wage growth first, because I have not finished the questions on that. I understand what you are saying and I appreciate that. Regarding the wage-price index, you have indicated that it has the greatest coverage and it is the ABS preferred one. Can you confirm that the current wage growth figure reflects the lowest wage growth in 20 years?

Dr Morehead: It is the lowest wage growth over the one year, since the series started, in 1997.

Senator O'NEILL: So we have to go back to 1997 for the fullness of data—

Dr Morehead: That is when it began.

Senator O'NEILL: Okay. Since 1997, what was the last year in which wage growth was lower than 2.3 per cent?

Dr Morehead: We will just look that up. Obviously, they are still growing, but it is what we call the slowest growth. They are still going up but it is the slowest growth.

Senator O'NEILL: What year do we have to go back to to have the same level of slow wage growth?

Dr Morehead: I think we gave that at the previous estimates.

Senator O'NEILL: I may not have been here or may not have heard it.

Dr Morehead: We will take that on notice. We do not have it here with us.

Senator O'NEILL: Ms Durbin, do you have it?

Ms Durbin: I have some comparable figures, but they are not quite over the same period. The figures Dr Morehead gave us were for September to September, a 12 month period. I have some indicative figures that look over calendar years. So, to get a true comparison we will take that on notice.

Senator O'NEILL: If we were to do a calendar year currently?

Ms Durbin: To give you an example, from the information I have for 2010, the wage-price index increases 2.2 per cent, so—

Unidentified speaker: They are not comparable.

Senator O'NEILL: Do you have 2015?

Ms Durbin: It is not comparable, because they are talking about different time period. That is the concern, so it is better if we take that on notice.

#### Answer

The Wage Price Index was first published in the December quarter 1997, and annual changes can be calculated beginning from the September quarter 1998. The Wage Price Index increase was not 2.3 per cent or lower over a 12-month period, until the year to March 2015.