

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

**QUESTIONS ON NOTICE
BUDGET ESTIMATES 2009-10**

Outcome/Agency *Australian Fair Pay Commission Secretariat*

DEEWR Question No. EW0046_10

Senator Siewart asked on 17 June 2009, in writing.

Question

Why doesn't the Commission use the Year Book figures?

Answer

As explained in the answers to Questions on Notice EW45 and EW46, the Commission does not use any specific estimates for housing costs. It is not clear that the Year Book rental figures would be the appropriate estimates to use. These figures are for average amounts of rent assistance received and relate to a population not directly comparable to the low-income households modelled by the Secretariat, as they include many jobless households.

The Commission has investigated the housing circumstances of low-paid employees and compared these with the housing circumstances of both the general population and all households containing employed people. As the table below shows, there are only minor differences in housing tenure between households containing low-paid employees and all employed households. While households that contain low-paid employees and are also low-income are somewhat more likely than other employed households to be paying rent, they also have high levels of home ownership.

Housing tenure of low-paid employee households, employed households and all households, 2005-06

Household Tenure Type	Low-paid employee households (%)	Low-paid, low-income households (%)	Employed households (%)	All households (%)
Owner without a mortgage	26.7	27.2	24.6	34.0
Owner with a mortgage	45.2	35.3	45.8	35.3
Renter	25.8	34.3	27.8	28.6
Other	2.3	3.2	1.8	2.1
Total	100.0	100.0	100.0	100.0

Note: Low-paid refers to persons earning less than 110 per cent of the Federal Minimum Wage (FMW), low-paid and low-income refers to households with a person earning less than 100 per cent of the FMW, and with total household employee income less than 70 per cent of the median.

Source: ABS, *Survey of Income and Housing: Confidentialised Unit Record File, 2005-06*, Catalogue 6541.0.30.001, Canberra, ABS.

In contrast, unemployed people are far more likely to be paying rent. Nearly three-quarters of unemployed people pay rent, 11 per cent are home-owners and 13 per cent are home-purchasers.