

## Senate Standing Committee on Education Employment and Workplace Relations

### QUESTIONS ON NOTICE Budget Estimates 2011-2012

#### Outcome 5 - Workplace Relations

DEEWR Question No.EW0307\_12

Senator Abetz asked on 30/05/2011, Hansard page 114.

#### Question

#### Minimum Wages

Senator ABETZ: All right. Is the department able to make any comment in relation to minimum wages and is it correct to say that those who earn near minimum wages are disproportionately female, unmarried and young, without postschool qualifications and overseas born? Do you have any statistics or data to confirm that?

#### Answer

The Department takes the phrase 'those who earn near minimum wages' to mean 'low paid workers'.<sup>1</sup> Analysis based on Household Income Labour Dynamics in Australia (HILDA) survey data for 2007 show that<sup>2</sup>:

- 60.4 per cent of low paid workers were female. By comparison, 50 per cent of all employees were female. Females therefore are disproportionately more likely to be low paid.
- 16.0 per cent of low paid workers were 'lone persons'. By comparison, 15.0 per cent of all employees were 'lone persons'. Lone persons are therefore no more likely to be low paid.<sup>3</sup>
- 31.6 per cent of low paid workers were aged 21 to 30 years. By comparison, 23.4 per cent of all employees were in this age bracket. Workers in this age bracket have a higher likelihood of being low paid.<sup>4</sup>
- 53.2 per cent of low paid workers had only attained qualifications up to Year 12. By comparison, 33.2 per cent of all employees only had qualifications up to Year 12. Workers without post-school qualifications are more likely to be low paid.
- 17.4 per cent of low paid workers were born in countries other than Australia. By comparison, 19.9 per cent of all employees were born in countries other than Australia. Workers born in countries other than Australia are slightly less likely to be low paid.

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<sup>1</sup> Consistent with the OECD's definition, low paid workers are defined as employees earning between the Federal/National Minimum Wage and up to two-thirds of the median hourly earnings for full-time employees.

<sup>2</sup> Australian Government Submission to the Fair Work Australia Annual Wage Review 2010, page 80.

<sup>3</sup> Data for 'lone persons' are used as a proxy for unmarried individuals.

<sup>4</sup> Employees below 21 years are often paid less than adult rates and so by definition are more likely to be low paid than adult workers. To assess the likelihood that younger adult workers are low paid compared to other adult workers, the term 'young' is defined as workers aged 21 to 30 years.