

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2006-2007 SUPPLEMENTARY BUDGET SENATE ESTIMATES HEARING
2ND NOVEMBER 2006**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

AUSTRALIAN FAIR PAY COMMISSION SECRETARIAT

Outcome 1: Set federal minimum and classification wages to promote the economic prosperity of the people of Australia

Question Number: W515-07

Question:

Senator Wong asked in writing:

Fair Pay Commission - AIRC v AFPC How much funding has been allocated to be spent on research? Please table the terms of reference or research directions for each piece of research commissioned by the AFPC to date

Answer:

For the 2006-07 financial year, \$490,000 has been allocated for commissioned research. The terms of reference for research commissioned by the AFPCS to date are:

Commissioned Research

Interactions between wages and the tax/transfer system

This research consists of economic modelling of the interactions between wages and the tax/transfer system as one component of incentives to work. Research will examine the impact on household types.

Research undertaken by: National Centre for Social and Economic Modelling (NATSEM). University of Canberra

Minimum wages and employment

This research provides an overview of the employment effects of minimum wages. It summarises the evidence from Australian and international research. The research provides:

- an overview of Australian and international evidence from selected countries;

- a discussion of the theoretical context in which these results can be considered; and
- gaps in the literature and some suggestions for future research.

Research undertaken by: Centre for Labour Market Research – University of Canberra, by Professor Philip Lewis.

Characteristics of employees on the Standard Federal Minimum Wage (FMW)

This research provides an analysis of the quantum of employees who earn wages at or below the hourly Standard Federal Minimum Wage (FMW). This research will also examine the characteristics of these workers.

Research undertaken by: The National Institute of Labour Studies ('NILS') and the Melbourne Institute of Applied Economic and Social Research.

Who are the employers of the low paid?

The research provides analysis of employers who predominantly engage 'low paid' employees and the characteristics of those employers.

Research undertaken by: The Melbourne Institute of Applied Economic and Social Research and the Australian Centre for Research in Employment and Work (ACREW), Monash University.

Impact of changes in net income on employment decisions

This research will explore, through a series of focus groups:

- the extent of people's knowledge about tax and transfer provisions that affect the net financial return from paid work;
- the extent to which changes in net income affect people's decisions to enter or leave paid work or to change their hours of paid work; and
- other key (non-financial) factors that affect people's employment decisions.

Focus group participants will be drawn so as to represent a cross-section of people who are unemployed or in low-paid employment (including unstable or intermittent work), living in urban and regional locations and with a variety of demographic characteristics.

Research undertaken by: Colmar Brunton Social Research Pty Ltd