



Australian Fair Pay Commission

Appendices

July 2009

Appendix A Submissions

The Commission encourages interested parties to make written submissions to its wage reviews. Obtaining written submissions from a broad cross-section of Australians ensures the Commission is informed about the impact of its decisions, current wage issues and areas for future research.

On 4 December 2008 the Commission invited written submissions to the 2009 Minimum Wage Review through advertisements in the national press.

Submissions closed on 20 March 2009 and a total of 69 were received from:

- government and government agencies (8);
- employer organisations (24);
- employee organisations (3);
- community organisations (10);
- professional and education organisations (1); and
- individuals and private businesses (23).

Sixty-one of the submissions were lodged as non-confidential and were posted to the Commission's website. These are listed below.

Submissions to the 2009 Minimum Wage Review

Government

Australian Government
NSW Government
Northern Territory Government
Office of the Employee Ombudsman (SA)
SA Government
Tasmanian Government
Victorian Government
WA Government

Employer

Apple, Pear and Cherry Industries (joint submission)
Australian Business Industrial (ABI)
Australian Chamber of Commerce and Industry (ACCI)
Australian Childcare Alliance
Australian Federation of Employers and Industries (AFEI)
Australian Hotels Association (AHA)
Australian Industry Group (Ai Group)
Australian Retailers Association (ARA)
Business SA

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Chamber of Commerce and Industry Qld (formerly Commerce Queensland)
Chamber of Commerce and Industry WA (CCIWA)
Chamber of Commerce NT (CCNT)
Group Training Australia
Growcom
Hotel, Motel and Accommodation Association (HMAA)
Master Grocers Australia (MGA)
National Farmers Federation (NFF)
National Retail Association (NRA)
Restaurant and Catering Australia (RCA)
South Australian Wine Industry Association (SAWIA)
Tasmanian Chamber of Commerce and Industry (TCCI)
The Pharmacy Guild of Australia
The Retailers Association
Victorian Automobile Chamber of Commerce (VACC)

Employee

Australian Council of Trade Unions (ACTU)
LHMU NT
Unions WA

Community

Australian Catholic Council for Employment Relations (ACCER)
Australian Council of Social Service (ACOSS)
Australian Youth Affairs Coalition (AYAC)
Employment Law Centre of WA (Inc)
Intellectual Disability Rights Service (IDRS)
Melbourne Citymission
NSW Young Labor Action
The Smith Family
WA Council of Social Service (WACOSS)
Youth Affairs Council of Victoria Inc (YACVic)

Professional / Education

RMIT Youth Work Team

Appendix A Business and Individual

Anonymous (x6)

D Blackwood

H Crawford

G Krahe

D Moon

S Rock

H Soliman

J White

J Whitehead

J Wishart

Post-budget submissions to the 2009 Minimum Wage Review

An additional nine post-budget supplementary submissions were received by the Commission. These are listed below:

Organisation

Government

Australian Government

ACT Government

SA Government

Employer

Australian Chamber of Commerce and Industry (ACCI)

Australian Industry Group (Ai Group)

Chamber of Commerce and Industry QLD (formerly Commerce Queensland)

Employee

Australian Council of Trade Unions (ACTU)

Community

Australian Catholic Council for Employment Relations (ACCER)

Individual

J Wu

Appendix B Consultations

The Australian Fair Pay Commission (Commission) conducts an annual minimum wage review, informing itself through consultations with stakeholders, submissions and research. Since its first decision in 2006, the Commission has continued to refine and evolve these processes based on feedback from key stakeholders.

The Commission's approach places importance on its understanding of the economic and social circumstances of low-paid Australians.

The formal consultations for the 2009 Minimum Wage Review included:

- state and territory visits;
- meetings with national peak bodies and industry sector groups;
- site visits to places of employment;
- meetings of the Commission's Business Consultative Group, Disability Roundtable and Research Advisory Committee;
- focus groups involving low-paid and unemployed people, juniors and employers in capital cities and regional areas;
- interactive online discussion forums;
- in-depth interviews with employers; and
- follow-up interviews with low-paid employees, unemployed (job seekers) and employers who participated in previous stages of the consultation program.

1. Stakeholder consultation and site visits

Consultations with stakeholders is central to the Commission's wage-setting process. During the past year the Commission met with the Australian Government and key national employee, employer and community stakeholder organisations.

In addition, the Commission visited each state and territory to inform itself of relevant regional issues and the impact of its decisions on employers, employees and unemployed people. Meetings were held with state and territory governments, employee and employer organisations and community organisations.

As part of its program of state and territory visits, the Commission also visited work places employing low paid workers and employment services providers. Site visits provide the Commission with opportunities to gain insights into the personal experiences of those most affected by its decisions, including employers, employees, juniors, trainees and unemployed people.

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The schedule below provides details of the Commission's program of consultations with stakeholder organisations and site visits for the 2009 Minimum Wage Review:

Location	Organisation
2008	
Brisbane	<ul style="list-style-type: none"> • Chamber of Commerce and Industry Qld (formerly Commerce Queensland) • Queensland Government • Queensland Council of Unions • Queensland Council of Social Service
Shepparton	<ul style="list-style-type: none"> • Goulburn Valley Trades and Labour Council • Shepparton Chamber of Commerce and Industry • Farmers Roundtable • J. Furphy & Sons
Perth	<ul style="list-style-type: none"> • WA Council of Social Service • West Australian Government • Chamber of Commerce and Industry WA • Unions WA
2009	
Hobart	<ul style="list-style-type: none"> • Tasmanian Government • Tasmanian Chamber of Commerce and Industry • Youth Network of Tasmania • Job Futures Tasmania
Adelaide	<ul style="list-style-type: none"> • Business SA • South Australian Government • SA Unions • SA Council of Social Service • Youth Affairs Council of South Australia • Restaurant and Catering Association of South Australia
Darwin	<ul style="list-style-type: none"> • NT Government • Chamber of Commerce NT • NT Council of Social Services • NT Working Women's Centre • Unions NT • Myriad Group Training
Sydney	<ul style="list-style-type: none"> • NSW Business Chamber • Unions NSW • NSW Government • Restaurant and Catering Australia • David Jones Ltd • Council of Social Service of NSW • Youth Affairs and Policy Association NSW
Canberra	<ul style="list-style-type: none"> • ACT Government • ACT Council of Social Service • Youth Affairs and Policy Association • ACT and Region Chamber of Commerce and Industry • The Pharmacy Guild of Australia

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Location	Organisation
2009 continued	
Melbourne	<ul style="list-style-type: none"> • Victorian Government • Australian Retailers Association • Victorian Employers' Chamber of Commerce and Industry • Victorian Trades and Labour Council • Youth Affairs Council of Victoria • Federation of Ethnic Communities Council of Australia
Melbourne	<ul style="list-style-type: none"> • Australian National Retail Association • Australian Industry Group • Australian Catholic Council for Employment Relations • Australian Council of Trade Unions
Canberra	<ul style="list-style-type: none"> • Australian Hotels Association • Australian Council of Social Service • Australian Chamber of Commerce and Industry • National Farmers' Federation
Melbourne	<ul style="list-style-type: none"> • Australian Government (Department of Education, Employment and Workplace Relations)

2. Business Consultative Group

Another component of the Commission's consultation process is its Victorian Business Consultative Group (BCG). Members of the BCG represent metropolitan and regional businesses in the recruitment, training, aged care and accommodation sectors.

The Commission held its third meeting of the BCG to discuss the impacts of its previous decisions and to gain further knowledge about local labour market conditions.

3. Disability Roundtable

In the past year the Commission has convened four meetings of its Disability Roundtable. The Roundtable is an expert body of key stakeholders providing advice to the Commission on issues relating to the employment of people with disability.

The Roundtable provides the Commission with advice on:

- issues regarding minimum wages for employees with disability including in relation to wage assessment tools in the Australian Disability Enterprises sector;
- practical information on the disability sector;
- research on employment of employees with disability; and
- advice on monitoring of minimum wage decisions on the employment of employees with disability.

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Membership of the Roundtable includes the Australian Fair Pay Commission (Chair) and Australian Fair Pay Commission Secretariat as well as representatives nominated by:

- Department of Education, Employment and Workplace Relations (DEEWR);
- Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA);
- Australian Chamber of Commerce and Industry (ACCI);
- Australian Council of Trade Unions (ACTU);
- Liquor, Hospitality and Miscellaneous Union (LHMU);
- Australian Federation of Disability Organisations (AFDO);
- National Disability Services (NDS); and
- Australian Human Rights Commission (AHRC).

4. Research Advisory Committee

The Research Advisory Committee has met twice in the last year in accordance with its terms of reference. The Committee provides advice on research priorities, commissioned and internally conducted research and dissemination of published research.

Membership of the Committee comprises the Australian Fair Pay Commission Secretariat (Chair) and representatives nominated by:

- Australian Chamber of Commerce and Industry (ACCI);
- Australian Industry Group (Ai Group);
- Australian Council of Social Service (ACOSS);
- Australian Council of Trade Unions (ACTU);
- Department of Education, Employment and Workplace Relations (DEEWR);
- Commonwealth Treasury; and
- State and Territory Governments.

5. Targeted public consultation

Overview

Targeted public consultation for the 2009 Minimum Wage Review focused on building on existing knowledge gathered through previous consultation programs, as well as exploring new perspectives on minimum wage issues.

In order to monitor changes in the experiences of participants as economic conditions evolved, the targeted consultations were commenced in November 2008, following implementation of the Commission's 2008 general Wage-Setting Decision, and continued for a six-month period.

Targeted public consultation was conducted in three stages:

- Stage one: November – December 2008
- Stage two: February – March 2009
- Stage three: April 2009

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The staged approach also allowed for analysis of shorter-term effects of minimum wage adjustments and the lagged effects of the adjustment, and provided the Commission with insights into labour market conditions early in the wage-setting cycle and closer to the wage-setting decision.

During the six-month period, 16 focus groups, nine interactive online discussion forums, six Indigenous mini-groups, 23 face-to-face in-depth interviews and 36 follow-up telephone interviews were conducted to explore the views of a broad cross-section of the Australian community in relation to minimum wages. The findings are published in the *Report on Public Consultations for the Australian Fair Pay Commission's 2009 Minimum Wage Review*.

The Commission has used this research to inform the 2009 Minimum Wage Review.

Target group methodologies

Focus groups

The consultations included 16 face-to-face focus groups, 10 with low-paid employees and six with unemployed job seekers. The focus groups were conducted in metropolitan and regional areas in five states.

The groups were approximately one and a half hours in duration and consisted of small group discussions of up to eight participants with structured facilitation.

Locations were selected to complement other consultation activities for the 2009 Minimum Wage Review and on the basis of local economic performance and employment levels. The criteria for selection of locations also took into account a range of industry and environmental factors and previous regional visits by the Commission for the 2007 and 2008 Minimum Wage Reviews.

Appendix B The following table shows the location and characteristics of the 16 focus groups:

Location	Target group	Age group
Mackay (regional Qld)	Low-paid	21–29
Mackay (regional Qld)	Low-paid	30–44
Brisbane	Unemployed	21–34
Brisbane	Low-paid	45+
Melbourne	Unemployed	35+
Traralgon (regional Vic)	Unemployed	35+
Melbourne	Low-paid	21–29
Melbourne	Low-paid	45+
Berri (regional SA)	Low-paid	45+
Berri (regional SA)	Low-paid	21–34
Berri (regional SA)	Unemployed	21–34
Sydney	Unemployed	21–34
Sydney	Low-paid	30–44
Perth	Unemployed	35+
Perth	Low-paid	21–29
Perth	Low-paid	30–44

Indigenous mini-group consultations

Experienced facilitators conducted six discussions of up to five Indigenous participants in Sydney and regional Queensland. These consultations took place in a central location and were of between one and a half and two hours duration. The group structure was as follows:

- three with female low-paid employees; and
- three with male low-paid employees.

Online discussion forums (Bulletin boards)

In previous consultation programs, the Commission used online methodologies as an additional mechanism to capture the opinions of a diverse range of Australians.

Online forums allow participants to share their views with the freedom that anonymity brings and without the barrier of location.

The 2009 consultation program included nine interactive online discussion forums targeting low-paid employees, unemployed job seekers and employer groups.

Each online forum consisted of up to 16 participants and was conducted over a period of five days. Activity questions were set for each day, similar to the structured facilitation of focus group discussions. Participants were located across all states and territories.

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The online forums consisted of:

- four with employers of low-paid workers – these focused on the Business services, Manufacturing, Retail, Health care and social assistance and Accommodation and food services industries;
- two with low-paid employees – using the same demographic characteristics for recruitment as the focus groups;
- two with junior, trainee and apprentice employees – participants were recruited based on age (15–17, 18–20), and whether they are working full-time or studying full-time; and
- one with job seekers marginally attached to the workforce – participants were recently (within the last three months) unemployed or underemployed and willing to take on low-paid work.

In-depth interviews

Additional targeted consultations were conducted in the form of in-depth face-to-face interviews with employers of low-paid workers.

A total of 23 in-depth interviews were conducted in metropolitan and regional areas across three states and two territories in November/December 2008 and in February/March 2009.

Participants were chosen from the Manufacturing; Retail; Accommodation and food services; Administration and support services; and Professional, scientific and technical services industries.

The in-depth interviews were conducted in the employer's workplace or a suitable venue, and were between 45 minutes and one hour in duration.

Follow-up interviews

In addition, 36 follow-up interviews were conducted with low-paid employees, unemployed job seekers and employers of low-paid workers who participated in previous stages of the consultation program. Interviews were conducted by telephone and were between 30 and 40 minutes in duration.

Appendix C Research

The Australian Fair Pay Commission published a number of research and analytical reports to inform its 2009 Minimum Wage Review. These are listed in Tables C1 and C2, with copies available on the Commission's website www.fairpay.gov.au

Table C1: List of reports, July 2008 to June 2009

Publication	Author
<i>Research reports</i>	
A Multidimensional Approach to Investigation of Living Standards of the Low-Paid: Income, Wealth, Financial Stress and Consumption	M Hahn and R Wilkins (Melbourne Institute of Applied Economic and Social Research, University of Melbourne)
Changes in the Australian Labour Market over the Business Cycle	N Mowbray, D Rozenbes, T Wheatley and K Yuen (Australian Fair Pay Commission Secretariat)
Gender Pay Differentials in Low-Paid Employment	S Austen, T Jefferson, A Preston & R Seymour, (Women in Social and Economic Research, Curtin University of Technology)
Labour Mobility and Low-Paid Workers	W Mitchell (Centre of Full Employment and Equity, University of Newcastle)
Modelling of the macroeconomic impact of the Fair Pay Commission's minimum wage decisions	Centre for International Economics
Young People with Poor Labour Force Attachment: A Survey of Concepts, Data and Previous Research	J Pech, A McNevin and L Nelms (Australian Fair Pay Commission Secretariat)
Report on public consultations for the Australian Fair Pay Commission's 2009 Minimum Wage Review	A Southwell, S Elliott, R Zappelli and G French (TNS Social Research)
<i>Industry profiles</i>	
Accommodation, cafes and restaurants industry profile	A compilation of reports by ACIL Tasman and Colmar Brunton Social Research, respectively
Australian Disability Enterprises sector profile	M Pointon, J Leggett, S K Archer, K Maltman, A Pung and E Leung (Australian Fair Pay Commission Secretariat) and the Disability Studies and Research Centre, University of New South Wales in partnership with People with Disability Australia Incorporated
Health and community services industry profile	A compilation of reports by ACIL Tasman and Colmar Brunton Social Research, respectively
Manufacturing industry profile	T Wheatley (Australian Fair Pay Commission Secretariat)
Retail trade industry profile	J Pech, L Nelms, K Yuen and T Bolton (Australian Fair Pay Commission Secretariat)
<i>Other reports</i>	
Economic and Social Indicators – Monitoring Report 02 (January to June 2008)	Australian Fair Pay Commission
Economic and Social Indicators – Monitoring Report 03 (July to December 2008)	Australian Fair Pay Commission

Appendix C Table C2: List of papers delivered at the 2008 Minimum Wage Research Forum

Research report	Authors
A macroeconomic perspective on the setting of minimum wages	I McDonald (University of Melbourne)
Do minimum wage increases reduce poverty? An American perspective	R Burkhauser (Cornell University) and J Sabia (American University)
Employer responses to minimum wage adjustments	N Weare, A Southwell and B Selwyn (TNS Social Research)
Gender pay differentials in the low-paid labour market	J Healy, M Kidd and S Richardson (National Institute of Labour Studies, Flinders University of South Australia)
Heterogeneous firm responses to rising teenage wages in New Zealand	D Hyslop, D Maré, S Stillman and J Timmins (Statistics NZ, Motu and NZ Department of Labour)
Life on the minimum wage: an empirical investigation	M Dockery, R Ong and R Seymour (Curtin University of Technology)
Migration and labour market outcomes by skill in Australia	W Mitchell (Centre of Full Employment and Equity, University of Newcastle)
Setting minimum wages in the UK: an example of evidence-based policy	S Machin (UK Low Pay Commission and London School of Economics)
The effect of minimum wage changes on labour supply and income distribution	H Buddelmeyer and G Kalb (Melbourne Institute of Applied Economic and Social Research, University of Melbourne)
The low-paid labour force and labour market transitions: assessing the impact of unemployment on earnings at the bottom of the labour market	I Watson (Macquarie University)
The significance of minimum wages for the broader wage-setting environment: understanding the role and reach of Australian Awards	J Buchanan and G Considine (Workplace Research Centre, University of Sydney)
Youth wages, training wages and productivity: the economic anatomy of traineeships	M Cully (National Centre for Vocational Education Research)

Appendix D International comparisons

One way of comparing minimum wages across countries is to convert their values to a common currency using nominal exchange rates (ERs) or purchasing power parity (PPP) exchange rates. The latter calculation attempts to compensate for differences in the cost of living across countries. Table D1 compares the hourly value of minimum wages across thirteen OECD countries using these methods.

Using the PPP method as the basis for comparison, Australia's basic minimum wage rate is the highest among the countries shown. Using the alternative ER conversion, Australia is ranked as having the sixth highest minimum wage among the countries shown.

Table D1: Value of gross hourly minimum wage, various countries, April 2009

Rank (based on PPP method)	Country	National currency	Hourly rate AUD (ER)	Hourly rate AUD (PPP)	Date of last change
1	Australia	AUD 14.31	14.31	14.31	Oct-2008
2	Luxembourg	EUR 9.47	17.79	14.12	Jan-2009
3	France	EUR 8.71	16.37	13.75	Jul-2008
4	Netherlands	EUR 8.39	15.76	13.59	Jan-2009
5	Belgium	EUR 8.00	15.04	12.53	Oct-2008
6	UK	GBP 5.73	11.87	12.37	Oct-2008
7	New Zealand	NZD 12.50	10.11	11.76	Apr-2009
8	Ireland	EUR 8.65	16.25	11.53	Jul-2007
9	Canada	CAD 8.80	10.09	9.99	-
10	US	USD 6.55	9.26	9.08	Jul-2008
11	Spain	EUR 4.20	7.89	7.59	Jan-2009
12	Greece	EUR 4.05	7.60	7.53	Sep-2008
13	Portugal	EUR 2.60	4.88	5.13	Jan-2009

Note: AFPC calculations based on nominal exchange rates (ER) and purchasing power parity (PPP) exchange rates. For countries that do not have an hourly rate, the minimum rate has been converted to an hourly basis assuming a working time of 8 hours per day, 40 hours per week. Average exchange rate over the month to 22 April 2009. PPPs are derived from the OECD Comparative Price Levels for February 2009. The hourly rate for Canada is the weighted average of the provincial/territorial rates. Date of last change varies between areas. The hourly rate for Spain, Greece and Portugal does not include annual supplementary pay of two additional months of salary for full-time workers.

Sources: Wage rates <<http://www.fedee.com/minwage.html>>; <<http://www.ers.dol.govt.nz/pay/minimum.html>>; <<http://canadaonline.about.com/library/bl/blminwage.htm>>; <<http://www.dol.gov/dol/topic/wages/minimumwage.htm>>; <<http://www.lowpay.gov.uk/>>; <http://internationalezaken.szw.nl/index.cfm?fuseaction=dsp_rubriek&rubriek_id=391035#76611000>; ER <<http://www.rba.gov.au/Statistics/HistoricalExchangeRates/2009.xls>>; PPP <<http://www.oecd.org/dataoecd/48/18/18598721.pdf>>