



## **Australian Fair Pay Commission**

### **Appendices**

July 2008

## Appendix A Submissions

The Australian Fair Pay Commission (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 15 December 2007 the Commission invited written submissions to the 2008 Minimum Wage Review through advertisements in the national press.

The Commission received a total of 96 submissions from:

- government and government agencies (12);
- employer organisations (21);
- employee organisations (7);
- community organisations (18);
- professional and education organisations (2); and
- individuals and private businesses (36).

Submissions lodged as non-confidential are posted on the Commission's website. These are listed below:

### Submissions to the 2008 Minimum Wage Review

#### Government

Australian Government  
 Human Rights and Equal Opportunity Commission (HREOC)  
 Local Government NSW and Shires Association of NSW (joint submission)  
 NSW Government  
 Northern Territory Government  
 Queensland Government  
 SA Government  
 Tasmanian Government  
 Victorian Government  
 WA Government

#### Employer

Australian Business Industrial (ABI)  
 Australian Chamber of Commerce and Industry (ACCI)  
 Australian Federation of Employers and Industries (formerly Employers First)  
 Australian Hotels Association (AHA)  
 Australian Industry Group (Ai Group)  
 Australian National Retailers Association (ANRA)  
 Australian Retailers Association  
 Business SA  
 Chamber of Commerce and Industry WA

**Appendix A**

Childcare Queensland Inc, Child Care Centres Association of Victoria, Child Care New South Wales (joint submission)

Jobs Australia

Master Grocers Australia

Mushroom Growers' Association

National Baking Industry Association

National Farmers Federation (NFF)

Restaurant and Catering Australia

South Australian Wine Industry Association

Tasmanian Chamber of Commerce & Industry

Waste Contractors and Recyclers Association of NSW

**Employee**

Australian Council of Trade Unions (ACTU)

Australian Services Union (ASU)

Australian Workers Union (AWU)

LHMU on behalf of members of LHMU employed by Helping Hand SA

LHMU on behalf of members of LHMU employed by Elderly Citizens Homes of SA

Unions WA

**Community**

Australian Catholic Council for Employment Relations (ACCER)

Australian Council of Social Services (ACOSS)

Australian Young Christian Workers

Federation of Ethnic Communities Councils of Australia (FECCA)

Lutwyche Catholic Parish

Melbourne Citymission

Multicultural Council of SA

National Disability Services

The Smith Family

Village Community Services

Western Australian Council of Social Services

Women's Electoral Lobby and National Pay Equity Coalition

Young Christian Workers' Past Members' Association

Youth Affairs Council ACT

Youth Affairs Council SA

Youth Network of Tasmania

**Professional / Education**

Women in Social and Economic Research (WiSER), Curtin Business School

Women and Work Research Group, University of Sydney

**Appendix A Business and Individual**

Anonymous

Ms Kate Barrington

Ms Sharyn Brocket

Mr & Mrs Broderick

Mr Kevin Corcoran

Mr Phillip Crouch

Ms Kathleen Dunlea

Dr Louise Floyd

Ms Michelle Grainger

Ms Vera A Halton

Mr Bruce Harkness

Mr Edward Heffernan

Ms Ellen Hill

Mr Amphay Intharacks

Mr Raja Junankar

Mr Noel Lowe

Ms Roxanne McCardle

Ms Chris Meadows

Mr Sean Meaney

Mr Shaun Newman

Mr Nick Pastalatzis

Ms Barbara Pink

Mr Alex Portnoy

Mr Jakob Raschle

Ms Bronwyn Richards

Ms Angela Ring

Ms Hazel Tai

Mr Geoff Taylor

Ms Patricia Theoret

Ms Margaret A Titterington

Mr Anthony Troiani

Mr Wal Webster

Mr Damien Woodards

Worksight Pty Ltd

## **Appendix A**    **Post-budget submissions to the 2008 Minimum Wage Review**

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

### **Government**

Australian Government

South Australian Government

### **Employer**

Australian Chamber of Commerce and Industry (ACCI)

Australian Industry Group (Ai Group)

### **Employee**

Australian Council of Trade Unions (ACTU)

### **Community**

Australian Catholic Council for Employment Relations (ACCER)

## Appendix B Consultations

The Australian Fair Pay Commission's (Commission) approach to wage-setting places importance on understanding the economic and social circumstances of low-paid Australians. The Commission informs itself through consultations with stakeholders, submissions and research.

For the 2008 Minimum Wage Review, the Commission undertook a consultation program which included:

- national and state and territory stakeholders;
- individual businesses and organisations;
- consultative groups;
- roundtables;
- targeted focus groups; and
- interactive online discussion forums.

### 1. Stakeholder consultation

An important component of the Commission's wage-setting process is consultation with key stakeholder organisations. During the past year the Commission held more than 70 stakeholder consultations across Australia.

The Commission met with the Australian Government and key national employee, employer and community stakeholder organisations. In addition, the Commission visited every state and territory and met with employee, employer and community organisations, and governments.

These consultations provide opportunities for the Commission to learn more about regional labour market conditions and the impact of its decisions on employers, employees and unemployed people.

## Appendix B

The schedule below provides details of the Commission's program of consultations for the 2008 Minimum Wage Review:

Location	Organisations
<b>2007</b>	
Canberra	<ul style="list-style-type: none"> <li>• National Farmers' Federation</li> <li>• Australian Council of Trade Unions</li> <li>• Australian National Retailers Association</li> </ul>
Adelaide	<ul style="list-style-type: none"> <li>• Business SA</li> <li>• South Australian Government (Department of Further Education, Employment, Science and Training)</li> </ul>
Perth	<ul style="list-style-type: none"> <li>• Chamber of Commerce and Industry WA</li> <li>• Ethnic Communities Council WA</li> <li>• Youth Affairs Council WA</li> <li>• WA Council of Social Services</li> <li>• Unions WA</li> <li>• West Australian Government (Department of Consumer and Employment Protection)</li> </ul>
Canberra	<ul style="list-style-type: none"> <li>• Youth Coalition of ACT</li> <li>• Australian Chamber of Commerce and Industry</li> </ul>
Sydney	<ul style="list-style-type: none"> <li>• Australian Council of Social Services</li> </ul>
<b>2008</b>	
Hobart	<ul style="list-style-type: none"> <li>• Tasmanian Government</li> <li>• Tasmanian Chamber of Commerce and Industry</li> <li>• Unions Tasmania</li> <li>• Youth Network of Tasmania</li> <li>• Multicultural Council of Tasmania</li> </ul>
Melbourne	<ul style="list-style-type: none"> <li>• Youth Affairs Council of Victoria</li> <li>• Ethnic Communities Council of Victoria</li> <li>• Australian Retailers Association</li> </ul>
Perth	<ul style="list-style-type: none"> <li>• West Australian Government (Department of Consumer and Employment Protection)</li> <li>• WA Chamber of Commerce and Industry</li> <li>• Employment Law Centre of WA</li> <li>• Youth Affairs Council of WA</li> <li>• Unions WA</li> <li>• Ethnic Communities Council of WA</li> </ul>
Adelaide	<ul style="list-style-type: none"> <li>• South Australian Government</li> <li>• Business SA</li> <li>• Youth Affairs Council of SA</li> <li>• Multicultural Communities Council of SA</li> <li>• SA Council of Social Services</li> <li>• Equal Opportunity Commission SA</li> <li>• Unions SA</li> <li>• South Australian Farmers Federation</li> <li>• SA Wine Industry Association</li> <li>• Australian Hotels Association of SA</li> </ul>

## Appendix B

Location	Organisations
<b>2008 continued</b>	
Canberra	<ul style="list-style-type: none"> <li>• ACT Chamber of Commerce and Industry</li> <li>• ACT Council of Social Services</li> <li>• Youth Affairs Coalition of ACT</li> <li>• ACT Multicultural Council Inc</li> <li>• ACT Government</li> </ul>
Sydney	<ul style="list-style-type: none"> <li>• Youth Action and Policy Association of NSW</li> <li>• NSW Government</li> <li>• NSW Business Chamber</li> <li>• Ethnic Communities Council of NSW</li> <li>• Unions NSW</li> </ul>
Darwin	<ul style="list-style-type: none"> <li>• Unions NT</li> <li>• NT Government</li> <li>• NT Commissioner for Public Employment</li> <li>• NT Chamber of Commerce and Industry</li> <li>• Youth Affairs Council of NT</li> <li>• NT Council of Social Services</li> <li>• Working Women's Centre</li> </ul>
Brisbane	<ul style="list-style-type: none"> <li>• Queensland Council of Unions</li> <li>• Commerce Queensland</li> <li>• Youth Affairs Network of Queensland</li> <li>• Queensland Government</li> </ul>
Melbourne	<ul style="list-style-type: none"> <li>• Australian Industry Group</li> <li>• Australian Chamber of Commerce and Industry</li> <li>• Australian Council of Trade Unions</li> <li>• National Farmers' Federation</li> <li>• Australian Council of Social Services</li> </ul>
Canberra	<ul style="list-style-type: none"> <li>• Australian Hotels Association</li> <li>• Australian National Retailers Association</li> <li>• Australian Government</li> <li>• Australian Catholic Commission for Employment Relations</li> </ul>
Townsville	<ul style="list-style-type: none"> <li>• Townsville Provincial Council (Division of Queensland Council of Unions)</li> </ul>
Mildura	<ul style="list-style-type: none"> <li>• Farmers Roundtable</li> <li>• Mildura Chamber of Commerce</li> </ul>

## Appendix B 2. Site visits

As part of its program of state and territory visits, the Commission conducts site visits to businesses, employment services providers, and training providers in metropolitan and regional areas.

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.

For its 2008 Minimum Wage Review, the Commission visited a mix of businesses operating across several sectors of the economy.

Details of the organisations, sectors and locations of site visits are provided below:

Location	Organisation	Sector
<b>2007</b>		
Adelaide	Phoenix Society Inc.	Disability employment services
Perth	SMYL Community Services	Community services
Perth	Shoe Show	Retail
<b>2008</b>		
Hobart	Blue Skies Dining	Accommodation, cafes and restaurants
Melbourne	Pacific Brands	Manufacturing
Perth	Hospitality Group Training	Group training
Canberra	Campbell Page	Employment services
Sydney	Sunlite Hardware	Retail
Sydney	MTC Work Solutions	Employment services
Sydney	Woolworths	Retail
Brisbane	Centacare Brisbane and Boys Town	Employment services
Brisbane	Brisbane Wholesale Foods	Wholesale and distribution
Townsville	The Nectar Bar	Accommodation, cafes and restaurants
Townsville	MAX Employment	Employment services
Mildura	Sunraysia Institute of TAFE Delice Restaurant	Hospitality training
Mildura	SuniTAFE Employment Solutions	Employment services

## 3. 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 second meeting of the BCG to discuss the impacts of its previous decisions and to gain further knowledge about local labour market conditions. The Commission intends expanding its business consultative process to other states in the coming year.

## Appendix B 4. Disability Roundtable

In the past year the Commission has convened three 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 a disability.

Specifically, the Roundtable provides the Commission with:

- advice on issues regarding implementation of minimum wages for employees with a disability;
- advice on pro rata wage arrangements for employees with a disability whose productive capacity is impaired;
- practical information on the disability sector;
- information and research on employees with a disability;
- advice on disability wage instruments;
- advice on monitoring of minimum wage decisions on the employment of employees with a disability; and
- suggestions on future priorities for minimum wage arrangements for employees with a disability.

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

- 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
- Human Rights and Equal Opportunity Commission (HREOC).

On 8 May 2008, the Commission announced Wage-Setting Decision 1/2008 which approved the use of nine new wage assessment tools for the Special Business Services Sector.

This decision completed the process of closing gaps in minimum wage coverage for the Business Services Sector which the Commission had commenced in 2006 and was developed in consultation with stakeholders participating in the Disability Roundtable.

As part of its 2008 Minimum Wage Review, the Commission also sought feedback from Roundtable participants on the impact of its previous wage-setting decisions on workers with a disability.

## Appendix B 5. Targeted consultation

### Overview

Building on the consultation program established for the previous Minimum Wage Review, 24 targeted focus groups and eight interactive online discussion forums were conducted during February and March 2008 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 2008 Minimum Wage Review*.

The Commission has used this research to inform the 2008 Minimum Wage Review.

### Participant target groups

#### Focus Groups

The 24 targeted focus groups, each contained five to eight participants and were approximately one and a half hours in duration. The groups were conducted in all states, including a mix of metropolitan and regional areas and a range of locations experiencing high and comparatively low levels of economic prosperity.

The group structure was as follows:

- six groups with low-paid individuals;
- four groups with individuals employed on junior rates;
- six groups with unemployed individuals (including two with juniors);
- six groups with employers of low-paid workers; and
- two groups with employers of juniors.

These five broad groups were identified as priorities for consultation as each is directly affected by the Commission's minimum wage decisions.

## Appendix B

The following table shows the location and characteristics of the 24 focus groups:

Location	Participant characteristics	Circumstances	Age group
Melbourne	Working full-time/part-time – finished education (no intention to study)	Not living at home	18–20 years
Melbourne	Unemployed – not studying	Living at home	18–20 years
Melbourne	Employed on minimum rate of pay	Has dependants	21–34 years
Melbourne	Employer of low-paid workers	Community services industry	
Perth	Unemployed	On benefits	21+ years
Perth	Employed on low rate of pay	No dependants	21–34 years
Perth	Working part-time/casual basis	Full-time secondary school student	16–17 years
Perth	Employer of low-paid workers	Trade industry	
Adelaide	Employed on junior/apprentice/trainee rate of pay	Not living at home	18–20 years
Adelaide	Employer of low-paid workers	Retail industry	
Albury-Wodonga	Employed on minimum rate of pay	No dependants	21–34 years
Launceston	Unemployed	On benefits	21+ years
Launceston	Employed on low rate of pay	Has dependants	35+ years
Hobart	Employer of low-paid workers	Retail trade industry	
Brisbane	Working full-time/part-time – finished education (no intention to study)	Living at home	18–20 years
Brisbane	Employer of low-paid workers	Hospitality industry	
Townsville	Employed on low rate of pay	No dependants	35+ years
Townsville	Employer of staff aged under 21 years (min 20% of staff)	Retail & Hospitality industries	
Wagga Wagga	Unemployed – not studying	Not living at home	18–20 years
Wagga Wagga	Employed on minimum rate of pay	Has dependants	35+ years
Sydney	Unemployed	On benefits	21+ years
Sydney	Employer of low-paid workers	Trade & Manufacturing industries	
Newcastle	Unemployed	Return to work	21+ years
Newcastle	Employer of low-paid workers	Manufacturing industry	

## Appendix B Culturally and linguistically diverse background consultations

As part of the 2008 consultations, four mini-groups were held with people from culturally and linguistically diverse backgrounds (CLDB). The mini-groups were conducted “in language” with Mandarin speakers in Melbourne and Arabic speakers in Sydney as these groups tend to be over-represented among the low-paid workforce.

### Interactive online discussion forums

Online forums provide a further mechanism to capture the opinions of a diverse range of Australians. They allow participants to share their views benefited by the freedom that anonymity brings and without the barrier of location.

A variety of age groups, income levels, occupations, family structures and geographic locations were included in the 2008 online forums. Each of the eight online forums involved up to 15 participants, and was conducted over five days across the following target groups:

- adult employees (aged 21 years and older, mix of occupations, industries and locations);
- junior employees (aged 15–20 years of age, mix of occupations, industries and locations);
- employers of low-paid workers (mix of industries and locations); and
- employers of juniors (mix of industries and locations).

## Appendix C Research Advisory Committee

### Extract from the terms of reference

#### Context

The Research Advisory Committee was established to assist the AFPC Secretariat in advising the AFPC on:

- research priorities;
- research gaps; and
- the timing of ongoing and proposed research.

#### Membership

AFPC Secretariat (Chair)

Representatives nominated by:

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

#### Purpose

- Discuss ongoing and proposed AFPC research;
- Suggest priorities for future research;
- Suggest areas, methods and sources of information for monitoring the effects of AFPC decisions;
- Share information on economic, social and methodological developments relevant to AFPC research; and
- Advise on methods for disseminating research.

## Appendix D International comparisons

### International comparisons of gross and net minimum wages

#### Gross minimum wages

One way of comparing minimum wages across countries is to convert their values to a common currency using either nominal exchange rates (ERs) or purchasing power parity (PPP) exchange rates. The latter attempt to compensate for differences in the cost of living across countries. Table D.1 presents data comparing the hourly value of minimum wages on both these bases, across fourteen OECD countries with statutory minimum wages.

**Table D.1: Value of gross hourly minimum wage, various countries, May 2008**

Rank	Country	Value of gross hourly minimum wage		
		National currency	AUD (ER)	AUD (PPP)
1	Luxembourg	EUR 9.29	15.68	16.00
2	France	EUR 8.63	14.58	14.58
3	Netherlands	EUR 8.33	14.06	14.49
4	Australia	AUD 13.74	13.74	13.74
5	Belgium	EUR 7.41	12.51	12.38
6	United Kingdom	GBP 5.52	11.71	12.33
7	Ireland	EUR 8.65	14.60	11.78
8	New Zealand	NZD 12.00	10.15	10.68
9	Canada	CAD 8.48	8.98	9.87
10	United States	USD 5.85	6.27	8.36
11	Greece	EUR 3.93	6.63	7.80
12	Japan	JPY 687	7.16	7.70
13	Spain	EUR 3.46	5.84	6.57
14	Portugal	EUR 2.46	4.15	5.12

Notes: AFPC calculations based on nominal exchange rates (ER) and purchasing power parity (PPP) exchange rates. Rank based on PPP value.

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 2 May 2008. The hourly rate for Canada and Japan is the weighted average of the provincial/territorial/prefectural rates. 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.govt.nz/pay/minimum.html>>; <<http://www.dol.gov/dol/topic/wages/minimumwage.htm>>; <<http://canadaonline.about.com/library/bl/blminwage.htm>>; <[http://www.lowpay.gov.uk/lowpay/report/pdf/2008\\_min\\_wage.pdf](http://www.lowpay.gov.uk/lowpay/report/pdf/2008_min_wage.pdf)>; <<http://internationalezaken.szw.nl/>>  
ER <<http://www.rba.gov.au/Statistics/HistoricalExchangeRates/2008.xlw>>  
PPP <<http://www.oecd.org/dataoecd/48/18/18598721.pdf>>

Using PPP values as the basis for comparison, Australia's minimum wage is the highest after Luxembourg, France and the Netherlands. Using the alternative ER conversion gives a slightly different ranking, with Ireland also moving ahead of Australia.

## Appendix D

Another common indicator used to compare minimum wages across countries is the ratio of the gross minimum wage to median earnings. These data are presented in Table D.2, along with the ratio of the minimum wage to average (or mean) earnings. According to the median earnings indicator, France and New Zealand are well clear of the next group of countries, which includes Australia, Greece, Belgium and the Netherlands.

For some countries (e.g. New Zealand, Greece, United Kingdom), rankings based on median wage ratios vary significantly from rankings based on PPP-adjusted value. It is likely that this reflects, in part, differences in earnings distributions (i.e. for a given level of minimum wage, a country with a more unequal earnings distribution will tend to record a lower ratio of minimum to median earnings).

**Table D.2: Adult full-time minimum wages relative to full-time median and mean earnings, various countries, 2006**

Rank	Country	Minimum wage as proportion (%) of	
		Median earnings	Average (mean) earnings
1	France	61	47
2	New Zealand	57	50
3	Australia	54 (LFS)	47
		52 (EEH)	
4	Greece	53	39
5	Belgium	52	40
6	Netherlands	52	43
7	Ireland	48	52*
8	United Kingdom	45	35
9	Portugal	45	39
10	Canada	41	38
11	Spain	39	36
12	Japan	33	28
13	United States	31	33*

Notes: Rank based on proportion of median earnings.

Higher median earnings ratio for Australia is from household-based Labour Force Survey (August each year); lower ratio is from employer-based Employee Earnings and Hours Survey (May every second year).

\*Figure for Ireland based on Average Production Worker. Figure for US based on data that exclude supervisory and managerial employees. The OECD notes that "the ratio shown for the US would be considerably lower if US average wages were available on the same basis as in other countries"<sup>1</sup>

Sources: Median earnings ratios – Low Pay Commission, *National Minimum Wage: Low Pay Commission Report 2008*, Norwich, The Stationery Office, 2008, Appendix 4, Table A4.2.

1 Mean earnings ratios – OECD, *Taxing Wages 2005-2006*, Paris, OECD, 2007, Table S.2, p. 25.

## Appendix D Net minimum wages

Gross earnings are, however, only part of the story. Disposable income of minimum wage-earners is also affected by the level of tax they pay. Table D.3 summarises 2006 OECD data on the average tax rates faced by full-time minimum-wage earners and their net (after-tax) minimum wage. These data show that tax payable on the minimum wage tends to have an equalising effect across countries. This is because, with few exceptions, countries with higher minimum wages tend to have higher rates of tax on those wages and vice versa.

Even so, some disparities between countries remain. Australia belongs to a group of countries with net minimum hourly wages with purchasing power between USD 7.00 and USD 7.80 (also comprising Luxembourg, France, the UK, Ireland, the Netherlands and Belgium). Of the remaining countries, only New Zealand, Canada and Greece had hourly net minimum wages in excess of USD 5 in 2006.

**Table D.3: Average tax rate and net hourly wage of full-time workers on the minimum wage, various countries, 2006**

Rank	Country	Tax rate	Net hourly wage
		%	USD PPP
1	Luxembourg	15.9	7.78
2	France	16.7	7.68
3	United Kingdom	12.7	7.66
4	Australia	14.7	7.46
5	Ireland	2.7	7.39
6	Belgium	17.2	7.22
7	Netherlands	22.6	7.05
8	New Zealand	18.3	5.69
9	Canada	13.8	5.33
10	Greece	16.0	5.19
11	Japan	14.5	4.58
12	Spain	6.7	4.45
13	United States	14.5	4.40
14	Portugal	11.0	3.32

Note: Rank based on value of net hourly wage.

Sources: OECD, *Taxing Wages 2005-2006*, Paris, OECD, 2007, Table S.3, p. 27 and Figure S.1.B, p. 28. Statlink <<http://dx.doi.org/10.1787/268811827174>> at 16 June 2008.

## Appendix D Disposable incomes of minimum wage-earning households

Aside from minimum wages, income transfer payments can also form an important part of the overall income safety net. Table D.4 summarises OECD data on the disposable incomes of various households with only one earner, who is on the statutory minimum wage, relative to median household disposable income within the country in question. These figures take account of all available income transfers (including housing benefits) and have been equivalised to adjust for varying household size.

On these measures, the four highest ranking countries in 2005 were English-speaking (the UK, Australia, New Zealand and Ireland). The majority of continental European countries, including those with high hourly minimum wages such as Luxembourg and France, occupy only middle rankings. The countries with the lowest minimum wages in Tables D.1 to D.3 also tend to be the lowest ranked in table D.4.

**Table D.4: Relative disposable incomes of selected households with one full-time employee on the statutory minimum wage, 2005**

Rank	Country	Equivalised household disposable income as percentage of median			
		Single person	Couple, no children	Single parent, 2 children	Couple, 2 children
1	United Kingdom	95.1	77.1	93.0	81.9
2	Australia	79.2	61.3	88.0	74.8
3	Ireland	73.6	52.8	76.7	60.0
4	New Zealand	82.1	59.6	63.8	54.5
5	Netherlands	68.4	57.2	55.6	47.2
6	France	71.5	50.9	52.2	45.4
7	Japan	53.6	51.5	58.0	53.3
8	Belgium	64.0	52.9	49.7	47.1
9	Luxembourg	50.2	54.6	45.5	52.5
10	Greece	69.1	48.9	42.1	36.4
11	Portugal	55.6	41.1	38.9	45.5
12	Canada	46.9	37.6	47.7	42.7
13	Spain	48.8	34.5	30.7	26.6
14	United States	34.8	29.3	36.0	34.5

Notes: Rank based on average relativities across all four household types. Household disposable income is measured after all relevant taxes and transfers (including housing benefits where applicable). Incomes of minimum-wage households and all others in the population have been equivalised by dividing by the square root of household size.

Source: OECD, *Benefits and Wages 2007: OECD Indicators*, 2007, Fig 2.5, pp. 83-84.  
Statlink <<http://dx.doi.org/10.1787/141016253821>> at 16 June 2008.

The disparities in rankings between those based on minimum wages, and those based on disposable income relativities, suggest varying emphases on the various elements of the safety net. The four English-speaking countries identified previously appear to rely more than other countries on income transfers to maintain an adequate level of household disposable income for low-income working households.