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Commission releases latest Monitoring Report

The Australian Fair Pay Commission today released its third *Economic and Social Indicators – Monitoring Report* for the period July to December 2008.

Commission Chairman, Professor Ian Harper, said this half-yearly Report summarises recent macroeconomic data, as well as key indicators in relation to the low-skilled labour market and circumstances of households with one adult worker on the Federal Minimum Wage (FMW).

He said: “I encourage stakeholders to draw on this data when preparing submissions to the Commission’s 2009 Minimum Wage Review.

“The Monitoring Report focuses on the period from July to December 2008, during which the Commission’s third general Wage-Setting Decision was implemented. This was a time when the labour market was responding to slowing domestic and international activity.

Professor Harper said: “The Report confirms trends identified in other economic data, which show that the decline in economic growth has begun to flow through to the labour market.

“The Report finds that employment growth in low-skilled occupations slowed quickly over the second half of 2008. There was also a trend over the last six months toward greater part-time employment and less full-time employment. Employment growth in Retail trade and Accommodation, cafes and restaurants declined during the period.

“The Commission’s modelling also suggests there has been a continued improvement in real household disposable incomes for the households that are most reliant on a minimum wage earner.

The report also considers various indicators of the financial incentive for a person who is unemployed to take up a full-time job at the FMW.

Professor Harper said: “Overall, there has been continued improvement in financial incentives for jobless people to take up employment at the Federal Minimum Wage, although over the past year this has been only slight. For the most part, these changes have been driven by tax cuts and, to a lesser extent, annual increases in the FMW.”

Professor Harper said the Monitoring Report provides insights into the economic and social circumstances of Australia’s lowest paid.

Copies of the Monitoring Report are available from the Commission’s website at www.fairpay.gov.au

Media Enquiries: Paul Vadasz 0429 359 960 / 03 8621 8223