

Senate Standing Committee on Education and Employment

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2015 - 2016**

Outcome 2 - Workplace Relations and Economic Strategy

Department of Employment Question No. EMSQ15-000384

Senator Lines provided in writing.

Question

Wages growth

Can the Department confirm that the current wages growth figures reflect the lowest wages growth in 25 years?

Is it a fair assumption that cutting people's wages in a time of flat wages growth is an economically irresponsible thing to do?

Is there any evidence to suggest that at a time when wages growth is this low that cutting wages would create more employment?

Answer

The most recent Wage Price Index (WPI) over the year to the June quarter 2015, shows that wages increased by 2.3 per cent which was the lowest annual increase since the WPI was first released in 1997. We have no comparable data source prior to 1997.

Wages across the economy are not being cut—the WPI is continuing to show economy wide wages growth each year.