

Employer and business groups often argue that increasing the minimum wage will result in businesses creating less new jobs.

However Australia has experienced **increased rates of job growth**.

Despite what the Australian Industry Group describes as “exceptionally high”¹ increases to the minimum wage in 2018, the ABS reports that **over the past year, trend employment growth was above average** when compared to the past 20 years.

“Over the past year, trend employment increased by 311,000 persons (2.5 per cent) which was above the average annual growth over the past 20 years (2.0 per cent).”

Australian Bureau of Statistics, 18 May 2019 (attached)

<http://www.abs.gov.au/ausstats/abs@.nsf/latestProducts/6202.0Media%20Release1Apr%202019#>

It should also be noted that regardless of whether the economy has shown signs of weakening over the past year, Australian employment growth was still above average during this time.

This may provide some evidence that increases to the minimum wage do not adversely affect employment growth, even during times of a weakening Australian economy.

Furthermore, business is clearly demonstrating a need for **additional working hours** from each employee, with the monthly hours worked by employees increasing above the 20 year average. This excess of available work may translate into new jobs in the coming year.

“The trend monthly hours worked increased by 0.3 per cent in April 2019 and by 2.8 per cent over the past year. This was above the 20 year average year-on-year growth of 1.7 per cent.”

Australian Bureau of Statistics, 18 May 2019. (attached)

Thank you for considering the above in your Review. Sincerely, Walter Lee

¹ Australian Industry Group, Annual Wage Review 2018-2019, Submission in Reply, 12 April 2019, Page 3. <https://www.fwc.gov.au/awards-agreements/minimum-wages-conditions/annual-wage-reviews/annual-wage-review-2018-19-4>



Australian Bureau of Statistics

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Trend unemployment rate steady at 5.1%

Australia's trend unemployment rate remained steady in April 2019 at 5.1 per cent, from a revised March 2019 figure, according to the latest information released by the Australian Bureau of Statistics (ABS).

ABS Chief Economist Bruce Hockman said: "The unemployment rate remained at 5.1 per cent for a second month, 0.4 percentage points lower than the same time last year."

Employment and hours

In April 2019, trend monthly employment increased by around 21,000 persons. Full-time employment increased by 15,000 persons and part-time employment increased by 6,000 persons.

Over the past year, trend employment increased by 311,000 persons (2.5 per cent) which was above the average annual growth over the past 20 years (2.0 per cent).

"The rise in employment over the past year was supported by an increase of around 260,000 full-time and 50,000 part-time employed persons," Mr Hockman said.

The trend monthly hours worked increased by 0.3 per cent in April 2019 and by 2.8 per cent over the past year. This was above the 20 year average year-on-year growth of 1.7 per cent.

Underemployment and underutilisation

The trend monthly underemployment rate remained steady at 8.3 per cent in April 2019 and decreased by 0.2 percentage points over the year. The monthly trend underutilisation rate increased by 0.1 percentage points to 13.4 per cent, and decreased by 0.6 percentage points over the year.

States and territories trend unemployment rate

The trend unemployment rate remained steady in New South Wales, South Australia and Western Australia. It decreased by 0.1 percentage points in the Northern Territory and by less than 0.1 percentage points in Queensland. It increased by 0.2 percentage points in the Australian Capital Territory, by 0.1 percentage points in Tasmania and by less than 0.1 percentage points in Victoria.

Over the year, the unemployment rate fell in New South Wales, Victoria, Queensland and Western Australia, and increased in South Australia, Tasmania, the Northern Territory and the Australian Capital Territory.

Seasonally adjusted data

The seasonally adjusted unemployment rate increased 0.1 percentage points to 5.2 per cent in April 2019, from a revised March 2019 figure (5.1 per cent). The participation rate increased 0.2 percentage points to 65.8 per cent. The seasonally adjusted number of persons employed increased by 28,000.

The net movement of employed in both trend and seasonally adjusted terms is underpinned by around 300,000 people entering and leaving employment in the month.

More details are in the April 2019 issue of Labour Force, Australia (cat. no. 6202.0). In addition, further information, including regional labour market information, can be found in the upcoming April 2019 issue of Labour Force, Australia, Detailed - Electronic Delivery (cat. no. 6291.0.55.001), due for release on 23 May 2019.

These publications are available for free download (after release) from the ABS website: <http://www.abs.gov.au>.

Media note:

- When reporting ABS data, the Australian Bureau of Statistics (ABS) must be attributed as the source.
- For media requests and interviews, contact the ABS Media Team on 1300 175 070 or media@abs.gov.au (8.30am - 5pm Monday - Friday AEST).
- The ABS produces trend estimates to provide a more reliable indicator of the underlying behaviour of the Labour Force series. Trend estimates were introduced into the Labour Force series in the mid 1980s and are available back to February 1978. Trend estimates are considered the best indicators of the underlying behaviour in the labour market. See paragraphs 29 to 38 of the Explanatory Notes in Labour Force, Australia (cat. no. 6202.0).
- Labour Force Survey data is complemented by other ABS measures to build a comprehensive picture of the labour market. Jobs in Australia (cat. no. 6160.0) data provides insights into all jobs held throughout the year.
- Labour Accounts data provides the number of filled jobs at a point-in-time each quarter, while Labour Force data measures the number of people employed each month.
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