



Australian Catholic Bishops Conference

Annual Wage Review
2019-20 Submission

March 2020

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INTRODUCTION

1. This submission is made on behalf of the Australian Catholic Bishops Conference (the **ACBC**). The ACBC submits that the annual wage review should increase the National Minimum Wage (the **NMW**) and the annual wage review for modern award so as to provide a decent standard of living for low paid workers.
2. The ACBC is a permanent institution of the Catholic Church in Australia and is the vehicle used by the Australian Catholic Bishops to address issues of national significance.
3. The ACBC's submissions are informed by the Catholic Church's experience as the largest non-government employer in Australia. The Catholic Church employs approximately 220,000 employees in health, aged care, education, welfare and administration. About 75% of these employees are covered by collective agreements. The balance are covered by awards made by the Fair Work Commission (the **Commission**).
4. Notwithstanding the Catholic Church's status as a substantial employer, these submissions are advanced in support of the position and underpinning belief that workers have a right to wages that will support themselves and their families to a dignified standard of living. The Catholic Church has a long history of advocating for a safety net minimum wage which provides workers with wages that provide for a fair and decent standard of living. The idea that working people and their families might live in poverty is inconsistent with safety net principles. The ACBC makes this submission in support of the statutory function of the minimum wage review and to support those workers reliant on the minimum wage. This belief arises from core Catholic social teaching. Modern expressions of these views can be found as early as Pope Leo XIII encyclical *Rerum Novarum* in 1891. These submissions are intended to give voice to those beliefs.

EXECUTIVE SUMMARY

5. The ACBC submits that the statutory framework created by the *Fair Work Act 2009 (Cth)* (the **FW Act**) requires that the orders issued as part of the annual wage review answer the statutory description of being a *safety net* of fair minimum wages. The ACBC submits that in order to answer that statutory description it must ensure that all groups of workers who are dependent upon those minimum wages are kept out of poverty and social disadvantage. If the order does not do that it does not answer the statutory command in s. 284. To put it another way, the ACBC submits that in order to meet the statutory description, any order must provide for a decent standard of living for the groups of workers who depend on those wages.
6. Accordingly, the ACBC seeks an increase of 4% to the NMW and, at a minimum, to the C13 to C10 rates provided for in modern awards.
7. These submissions are divided into three main parts being:
 - (a) the proper construction of the legislative scheme and the proper approach to the annual wage review;
 - (b) the current evidence about poverty and disadvantage in Australia and whether the current NMW and modern award minimum wages provide for a fair safety net of minimum wages; and
 - (c) a consideration of the relative needs of low paid workers as identified in s. 284(1)(c) of the FW Act.

8. Given the fulsome submissions made by other parties about the other considerations in s. 284(1)(a) – (e), the ACBC does not propose to specifically address those matters at this time. The ACBC reserves its right to make any further submissions about those matters.

LEGAL PRINCIPLES

9. Before coming to the substance of the ACBC's submissions as to the appropriate setting of the NMW, it is necessary to say something about the proper construction of ss. 284 and 285 of the FW Act.
10. The principles of statutory construction are well settled. The task begins and ends with the statutory text, read in context.¹ That context includes the general purpose and policy of the provision under consideration,² which purpose is to be derived from the statutory text and not from any assumption about the desired or desirable operation of the provision.³ In *Certain Lloyd's Underwriters v. Cross* (2012) 248 CLR 378, French CJ and Hayne J described the proper approach to statutory construction at [24] to [26] as follows:

24. The context and purpose of a provision are important to its proper construction because, as the plurality said in Project Blue Sky Inc v Australian Broadcasting Authority, "[t]he primary object of statutory construction is to construe the relevant provision so that it is consistent with the language and purpose of all the provisions of the statute" (emphasis added). That is, statutory construction requires deciding what is the legal meaning of the relevant provision "by reference to the language of the instrument viewed as a whole", and "the context, the general purpose and policy of a provision and its consistency and fairness are surer guides to its meaning than the logic with which it is constructed".

25. Determination of the purpose of a statute or of particular provisions in a statute may be based upon an express statement of purpose in the statute itself, inference from its text and structure and, where appropriate, reference to extrinsic materials. The purpose of a statute resides in its text and structure. Determination of a statutory purpose neither permits nor requires some search for what those who promoted or passed the legislation may have had in mind when it was enacted. It is important in this respect, as in others, to recognise that to speak of legislative "intention" is to use a metaphor. Use of that metaphor must not mislead. "[T]he duty of a court is to give the words of a statutory provision the meaning that the legislature is taken to have intended them to have" (emphasis added). And as the plurality went on to say in Project Blue Sky:

"Ordinarily, that meaning (the legal meaning) will correspond with the grammatical meaning of the provision. But not always. The context of the words, the consequences of a literal or grammatical construction, the purpose of the statute or the canons of construction may require the words of a legislative provision to be read in a way that does not correspond with the literal or grammatical meaning.

To similar effect, the majority in Lacey v Attorney-General (Qld) said:

¹ See, eg, *Alcan (NT) Alumina Pty Ltd v Commissioner of Territory Revenue* (2009) 239 CLR 27 at 47-48 [51]; *Commissioner of Taxation v Consolidated Media Holdings Ltd* (2012) 250 CLR 503 at 519 [39]; *Federal Commissioner of Taxation v Unit Trend Services Pty Ltd* (2013) 250 CLR 523 at 539 [47]; *Independent Commission Against Corruption v Cunneen* (2015) 256 CLR 1 at 28 [57].

² *Board of Bendigo Regional Institute of Technical and Further Education v Barclay* (2012) 248 CLR 500 at 516 [41].

³ *Certain Lloyd's Underwriters v Cross* (2012) 248 CLR 378 at 389-390 [25]-[26]; *Deal v Father Pius Kodakkathanath* (2016) 90 ALJR 946 at 955 [37].

"Ascertainment of legislative intention is asserted as a statement of compliance with the rules of construction, common law and statutory, which have been applied to reach the preferred results and which are known to parliamentary drafters and the courts." (footnote omitted)

The search for legal meaning involves application of the processes of statutory construction. The identification of statutory purpose and legislative intention is the product of those processes, not the discovery of some subjective purpose or intention.

26. *A second and not unrelated danger that must be avoided in identifying a statute's purpose is the making of some a priori assumption about its purpose. The purpose of legislation must be derived from what the legislation says, and not from any assumption about the desired or desirable reach or operation of the relevant provisions. As Spigelman CJ, writing extra-curially, correctly said:*

"Real issues of judicial legitimacy can be raised by judges determining the purpose or purposes of Parliamentary legislation. It is all too easy for the identification of purpose to be driven by what the particular judge regards as the desirable result in a specific case." (emphasis added)

And as the plurality said in Australian Education Union v Department of Education and Children's Services:

"In construing a statute it is not for a court to construct its own idea of a desirable policy, impute it to the legislature, and then characterise it as a statutory purpose."

(footnote omitted)

11. In order to properly construe ss. 284 and 285 of the FW Act (and s. 134), it is necessary to examine the scheme of the FW Act as a whole in so far as it relates to the terms and conditions afforded to employees. Chapter 2 of the FW Act sets out the terms and conditions which are provided by the FW Act.
12. Part 2-2 establishes the National Employment Standards (**NES**). The NES are a suite of minimum conditions to which every employee is entitled and which cannot be abrogated. Consistent with those conditions, Division 4 of Part 2-6 provides for a NMW. The effect of Division 4 is to establish a minimum wage which cannot be abrogated for all employees who are award or enterprise agreement free. Section 293 of the FW Act prohibits any person from contravening a term of the NMW Order.
13. Consistent with Part 2-2 and Part 2-6, Part 2-3 of the FW Act provides for the making of modern awards. Section 134 identifies that the purpose of a modern award is to provide a fair and relevant minimum safety net of terms and conditions.
14. From there, the FW Act provides in Part 2-4 for parties to collectively bargain and reach agreements about their terms and conditions of employment. However, any bargain reached must pass the better off overall test. Importantly, s. 206 of the FW Act provides that an enterprise agreement cannot, in effect, have a base rate of pay which is lower than either the applicable modern award or if the employee is award free, the NMW. The effect of this scheme is that it establishes that no employee shall receive conditions less than the NES and no employee shall receive a rate of pay which is less than either any modern award which applies to them or the NMW. It is from that base of conditions that the FW Act provides for a scheme which employees and employers can bargain for better terms and conditions by way of collective agreements. However, those minimum conditions are a legislated floor which cannot be penetrated.

15. Section 284 imposes an obligation upon the Commission to establish and maintain a safety net of fair minimum wages. Section 285 provides that the Commission must undertake an annual wage review which includes making a NMW order. Section 294 provides for the content of any NMW Order. The effect of s. 285(1) and (2)(c) is that each year, the Commission must issue a NMW Order which is consistent with the minimum wage objectives set out in s. 284. The objectives set out in s. 284 applies to both the setting of minimum wages in the NMW Order and the variation of minimum wages in any modern award.
16. Accordingly, any exercise of the power to make a NMW Order must be exercised in accordance with s. 284. Importantly though, this means that not only must the Commission take into account the matters specified in s. 284 (1)(a) to (e), the order must answer the statutory description of being a *safety net of fair minimum wages*. If the order issued by the Commission pursuant to s. 285(2)(c) does not answer that description, the order will be affected by jurisdictional error.
17. Consistent with this analysis, when considering the similarly worded s. 134, the Full Court in *SDA & Anor v. AIG & Ors* (2017) 253 FCR 368 identified at [41] to [44] that the Commission's task is to issue an order which answers the description of the opening words of the section. The sub paragraphs set out the matters which must be considered in making that order. However, the overall statutory function is that which is contained in the first part of the sub section.
18. The effect of this is notwithstanding the specified matters which the Commission must take into consideration in sub paragraphs (a) to (e), any order must answer the description of being a *safety net of fair minimum wages*.
19. In the *Annual Wage Review 2018-19* [2019] FWCFB 3500 the Full Bench described its approach to the task imposed by s. 284 at [4] to [18]. With respect, at [8] the Full Bench correctly noted that s. 284 involved an evaluative exercise which was to be informed by the matters specified in (1)(a)-(e). It is also, with respect, correct to say that no particular primacy attaches to any of those considerations – see [9].
20. At [10] the Full Bench held that the use of the adjective *fair* in those opening words required any order to be fair from the perspective of employees and employers. The ACBC has previously taken issue with this formulation and repeats its 2019 submissions at [563] to [575] and [637]. However even if the ACBC's submission on this issue were not accepted, with respect, the Full Bench's approach only addresses one half of the formulation of s. 284. With respect, the Commission's approach does not give any content to the words "a safety net".
21. Whilst the phrase "a safety net" is not defined in the legislation, the imagery associated with the phrase is arresting. The ordinary meaning of the phrase "a safety net" is a net designed to catch a person who is falling. The obvious purpose of catching them is to keep them from hitting the ground. In order to be properly described as "a safety net," the net has to be hoisted at a sufficient height to catch the falling person. If it is not erected sufficiently far from the ground and the person hits the ground, it might still be a net but it is most certainly not a safe one.
22. Whilst the imagery associated with the phrase "a safety net" might be readily understandable, the question posed by s. 284 is what is the safety net to protect employees from? Having regard to the objects of the FW Act and the scheme of the FW Act whereby the minimum wages payable are those under either the modern award or the NMW, the purpose of the safety net must be to prevent employees from falling into disadvantage or poverty. To put it another way, is the safety net is to provide a decent living wage for those who receive it. If the NMW was set at such a level to allow groups of workers to fall into poverty and disadvantage, it is difficult to see how that would achieve

the object of promoting social inclusion for all Australians or satisfy the purpose of a "safety net". Persons suffering from poverty are unlikely to feel any degree of prosperity or social inclusion.

23. Such a conclusion is also consistent with Australia's international obligations. Article 7 of the International Covenant on Economic, Social and Cultural Rights expressly recognises every person's right to conditions of work, which amongst other things, provide for a decent living for themselves and their families.
24. This approach is also consistent with the beneficial nature of s. 284. As s. 284 is beneficial legislation it should be broadly and liberally construed.⁴ If there is any ambiguity in the words used, that ambiguity should be resolved in favour of the beneficial cause.
25. The effect of this is, with respect, whilst the Commission held that any order must be fair from the perspective of employees and employers, that order must also answer the description of being a safety net. That is, it must be set at such a rate so as to ensure that persons do not fall into disadvantage and poverty. If the rate is set at such a level where persons fall into disadvantage or poverty, then it does not answer the statutory description contained in s. 284 of the FW Act.
26. Sub paragraphs (a) to (e) include a number of matters which the Commission must take into account when determining how high to set the safety net. It is also true to say that the consideration of those matters and the determination of the content of the ultimate order involve broad evaluative judgments.⁵ However, a consideration of the matters listed in s. 284(1)(a)-(e) cannot result in the Commission making an order which does not answer the description of being a safety net of fair minimum wages. Those considerations are of course relevant to the evaluative exercise the Commission must undertake to ensure that the safety net is set at an appropriate level. However, irrespective of the particular level, the order must be sufficient to ensure that no group of workers who receive the NMW fall into disadvantage or poverty.
27. The ACBC would accept that, as has previously been found⁶, the NMW is a blunt instrument for addressing disadvantage. This is equally so of wage rates contained in modern awards. However, that reality does not change the statutory injunction imposed by s. 284. With respect, any order issued must ultimately answer the description of being *a safety net of fair minimum wages*. If there are groups of workers who are dependent upon the NMW, or the wage rates set by a modern award and are in poverty, the order does not answer the statutory description contained in s. 284 of the FW Act.
28. It is true that a consideration of some of the factors identified in sub paragraphs (a) to (e) might count against granting an increase of the quantum sought by the ACBC. However, notwithstanding that the Commission is required to take into account the matters specified in those sub paragraphs, the ultimate order issued by the Commission has to answer the description of being a safety net of fair minimum wages. None of the considerations identified in sub paragraphs (a) to (e) can result in an order which does not answer that description.

⁴ *IW v City of Perth* (1997) 191 CLR 1 at 11

⁵ *Victims Compensation Fund Corporation v Brown* (2003) 201 ALR 260 at [33].

⁶ For example see *Annual Wage Review 2012-13* [2013] FWCFB 4000 at [56]-57].

What is poverty and disadvantage in statistical terms?

29. In light of the foregoing analysis it is necessary to say something about the definition of poverty and disadvantage. The following is a common approach to the description of poverty:

People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living that is regarded as acceptable by Australian society generally, with the result that they are likely to be excluded and marginalised from participating in activities that are considered the norm for other people in society.⁷

30. In common usage, a "decent standard of living" is a standard of living in excess of poverty as it is described in this passage. There is no unambiguous mathematical measurement of poverty or margin above poverty. This is needed in order to secure what would be regarded as a "decent standard of living". The quantification of both depends on conclusions drawn from relevant evidence and empirical research.
31. The Commission has repeatedly held in past annual wage reviews that "those in full-time employment can reasonably expect a standard of living that exceeds poverty levels".⁸ This higher standard of living might be called a decent standard of living. The Commission has used that term in its repeated view in past decisions that the "assessment of the needs of the low paid requires an examination of the extent to which low-paid workers are able to purchase the essentials for 'decent standard of living' and to engage in community life, assessed in the context of contemporary norms."; see, for example, the May 2019 decision at paragraphs 17 and 200.
32. As a result of the work of the Australian Bureau of Statistics (**ABS**) in developing the income measures based on international standards, relative poverty lines are now the conventional measure poverty. This involves relative poverty lines being used at 50% or 60% of median equivalised disposable household income. The 60% poverty line can also be called the risk of poverty line, as it is frequently called in Europe where it is widely used in public policy discussion as a measure of income sufficiency. The question of which of these percentages, or which of the percentages between them, is the most appropriate measure of poverty needs to be informed by empirical research. In the following paragraphs we refer to the 60% of median relative poverty line as the 60% poverty line.
33. Since 2008, when relative poverty line calculations were introduced by the Australian Fair Pay Commission (**AFPC**), the 60% poverty line has been used in national minimum wage reviews. Since 2008 the AFPC and, later, the Commission, has published calculations of the ratio between the disposable household incomes of various wage-dependent families and their respective 60% poverty lines. Included in the calculations are figures for the same kind of households when receiving different minimum wage rates. These figures are different expressions of the one basic calculation, i.e. of median equivalised disposable household income. The positions of the selected households relative to the 60% poverty line can be converted to positions relative to the median; for example, 90% of, or 10% below, the 60% median poverty line is 54% of the median.
34. The Commission, like the AFPC, has not treated the 60% poverty line as an operational benchmark measure of poverty. However, the Commission has treated the 60% poverty

⁷ Adapted from Irish National Anti-Poverty Strategy - Sharing in Progress 1997

⁸ See, for example [17], [200], [316] and [322] of the *Annual Wage Review 2018-19* [2019] FWCFB 3500.

line as a measure of the standard of living in excess of poverty that those in full time employment can reasonably expect:

"[333] The [Minimum Wage] Panel [of the Commission] has generally relied on poverty lines that are based on median equivalised household disposable income, using a 60 per cent threshold on the basis that those in full-time employment can reasonably expect some margin above a harsher measure of poverty." (Footnote: [2019] FWCFB 3500 at [201])

35. In those circumstances it is respectfully submitted that the 60% poverty line can be seen as a marker for what can properly be described as living in poverty. Accordingly, people at the 60% poverty line or below are not able to enjoy a decent standard of living. This is particularly so when one considers the budget standards research discussed below.
36. In order to answer the description of being "a *safety net*" any minimum wages order should ensure that every cohort of workers is in advance of at least the 60% poverty line.

THE CURRENT NMW AND WAGE RATES AT C13 TO C10 DO NOT PROVIDE A SAFETY NET

37. The ACBC submits that NMW and minimum wages provided for by modern awards do not create an effective safety net for the low paid. In order to make good this submission, it is necessary to:
 - (a) consider the statistical data concerning the extent to which various cohorts of Australian workers who are dependent on either the NMW or C13 to C10 rates provided for in modern awards are enduring poverty and disadvantage; and
 - (b) say something about the current evidence concerning falling living standards and rising poverty levels.

Measuring relative living standards

38. The submissions and decisions in Annual Wage Reviews regarding living standards and poverty have usually been made by reference to measures of living standards developed by the ABS and their adaption by the Commission to measure the living standards of various kinds of minimum wage-dependent households. ABS data collection and analysis on these and associated matters have been collated and published in accordance with international standards. There is a considerable body of learning on these matters. The basic resource material is found in the *Canberra Group Handbook on Household Income Statistics*, published in 2011 by the United Nations Economic Commission for Europe. As the name suggests, the ABS was instrumental in developing this publication. Included in the publication are the following:

"The Canberra Group Handbook on Household Income Statistics, Second Edition (2011), provides a consolidated reference for those involved in producing, disseminating or analysing income distribution statistics. It reflects the current international standards, recommendations and best practice in household income measurement. It also contains updated and expanded information about country practices in this field of statistics and provides guidance on best practices for quality assurance and dissemination of these statistics." (page iii)

"The aim of the Handbook is to contribute to the availability of more accurate, complete, and internationally comparable income statistics, greater transparency in their presentation, and more informed use of what are inevitably some of the

most complex statistics produced by national and international organisations."
(page 1)

39. The basic calculation for these measurements of living standards is the "median equivalised disposable household income" for a single person household, which is derived from household income surveys conducted by the ABS every two years. This figure is calculated using standard equivalence scales that calculate the incomes needed in various kinds of households to produce the same standard of living; for example, a family of two adults and two children requires a disposable income that is 2.1 times the disposable income of a single person in order for both households to have the same standard of living. It also means that the family of four requires 2.1 times the median equivalised disposable household income in order to be at the median Australia-wide standard of living. The disposable incomes of individuals and families take into account the tax payable on earned income and government transfers such as family payments.
40. Although data on relative living standards has been available since 1994-95, changes in the collection and recording of data limit the utility of the early years of this research. In Tables A1 to A8 of Appendix A we have provided calculations from January 2001, but, having regard to the changes made in the surveys, we have restricted most of the commentary to changes in living standards since January 2004.
41. The most recent estimate of the national median was published in July 2019; *Household Income and Wealth, Australia, 2017-18*, cat. no. 6523.0. The median equivalised disposable household income for a single person in that year was \$899.00 per week. We have used that figure for January 2018. Because of the inevitable delays in publishing the results of surveys, the Commission updates the survey figures by reference to the Melbourne Institute's calculations of national per capita "Household Disposable Income" which are published quarterly in its *Poverty Lines* newsletter. Table A1 uses those calculations for the years between surveys and for the period since the latest published results. The estimates of changes in median disposable incomes since 2019-20 will have to be amended after the publication of the ABS survey results for the year 2019-20, which is expected in late 2021.

Recent comparisons of living standards: Table 8.6 in Statistical Report, 6 March 2020

42. The Commission's *Statistical Report* series uses these financial year calculations for estimating living standards at December of each year. The relevant tables in Appendix A are at January of each year, using the figure for the previous month. There is no difference between the calculations for each December and the following January because minimum wage rates and relevant transfer payments do not change during these months.
43. These calculations enable us to compare the standards of living of various kinds of households and to compare their standards of living with the Australia-wide median. The calculations also provide the basis for measuring the degree of inequality within the community. For example, at January 2020 the NMW-dependent single adult was 71.0% of the median (for a single person) and the NMW-dependent family of four (couple parents with two children) was at 52.8% of the median calculation for a household of this size. At the same time the C10-dependent single adult (receiving the minimum wage rate for a trade qualified, or equivalent, classification) was at 80.3%, while the family of four dependent on the C10 rate was at 57.4% of the median. But for the substantial payments received by families, the gap between them and single adults would be much greater.
44. Table 8.6 in the Commission's *Statistical Report* of 6 March 2020 presents calculations at September 2014, September 2018 and September 2019 of the living standards of 14 kinds of households at four wage levels by reference to their 60% of median poverty lines.

Table A13 in Appendix A is extracted from Table 8.6, with the measures regarding NMW and C10-dependent households at September 2019.

45. The 60% poverty lines are based on ABS surveys in 2013-14 and 2017-18. In the ABS survey for 2013-14, the estimated median equivalised household disposable income was \$844.00 per week. In the following ABS survey, for 2015-16, median equivalised household disposable income had risen to \$853.00 per week, an increase of only 1.1%. In the ABS survey for 2017-18, median equivalised household disposable income rose to \$899.00, an increase of 5.4%.
46. The estimates for September 2018 and September 2019 in Table 8.6 of the February 2020 report are based on changes in household disposable income calculated by the Melbourne Institute in *Poverty Lines, Australia, September Quarter 2019*. We have used the September quarter 2019 figures for our January 2020 estimates. By April 2020 the next quarterly newsletter will be published, enabling estimates for December 2019 and revised estimates for January 2020. The ACBC notes that there is a very minor discrepancy between the Commission and our calculations of the poverty lines following the latest issue of the Melbourne Institute's publication. The 60% relative poverty line for the single adult, for example, is calculated at \$559.57 per week in the Commission's calculations, whereas we calculate it to be \$559.80 per week (see Table A5 in Appendix A). Nothing turns on this and both figures will be revised following the publication of the next quarterly issue.
47. Table 8.6 shows only a very small increase in median equivalised disposable household income over the period from September 2014 to September 2019, with the result that the relative poverty line has increased by only 9.3%.
48. The increase in median equivalised disposable household income over this period was well below the increases in median wages (14.2% from August 2014 to August 2019; Appendix A, Table A9) and Average Weekly Ordinary Time Earnings (12.5% over the period November 2014 to November 2019; Appendix A, Table A10). By way of illustration, the NMW-dependent single adult with no family responsibilities is recorded as increasing his or her margin over the 60% relative poverty line from 14% to 18%. By contrast, the NMW-dependent sole parent with two children working 19 hours per week is recorded as having decreased from 84% in September 2014 to 81% of the poverty line in September 2019, or from 16% to 19% below the poverty line, with the decrease reflecting the substantial cuts to family payments during this period.

The figures require a degree of caution

49. The low increase in estimated household disposable income does not reflect the changes in gross wage levels as recorded by the ABS. The cause or causes of the discrepancies in the recorded changes in gross and disposable household incomes are uncertain, but it has happened before. For example, the *Statistical Report* of 8 May 2014 estimated that the single adult's 60% relative poverty line was \$496.05 per week, whereas the figure derived from the 2013-14 survey, and used in the latest *Statistical Report*, is \$506.40 per week. This meant the single adult was 13% above the poverty line, not 15% as initially estimated.
50. The conclusion that the ACBC draws from this is that Table 8.6 underestimates to some extent the increases in relative poverty lines over the period September 2014 to September 2019, with the consequence that it overstates the increases in living standards relative to poverty lines and median disposable incomes. Although the Melbourne Institute's figures provide the best guide to the adjustment to the ABS for the years between the ABS surveys and for the periods following the survey years, they are published on the explicit basis that they may be amended in subsequent reports.

Changes in family assistance

51. Table 8.6 reflects the impact that the cuts in family assistance since 2014 have had. This is illustrated by the calculations of changes in disposable incomes that underlie (but are not explicit in) the estimated changes of NMW-dependent households relative to their poverty lines.

Couple parent families

52. Table 8.6 also has the NMW-dependent single-earner couple parent family of four at **12% below** the poverty level. Even a job at the C10 wage rate would not lift the family above the poverty line: it would still be **4% below**. As we have emphasised before, there is something fundamentally wrong with a minimum wages system that provides a wage rate for a skilled worker that leaves an average family in or at risk of poverty and without a decent standard of living.
53. Table 8.6 also shows that if the second parent in the NMW-dependent household sought employment and qualified for the Newstart allowance while being unemployed, the family would move to 3% below the poverty line. Because of the means-testing provisions of the Newstart allowance, the C10-dependent single-earner family would still be 1% below the poverty line despite the C10 wage rate being \$121.70 per week more than the NMW. In order for the family to escape poverty or the risk of poverty, the second parent has to commit to taking employment, with the consequences that this may have for the care of the children and the expected costs that would be incurred.

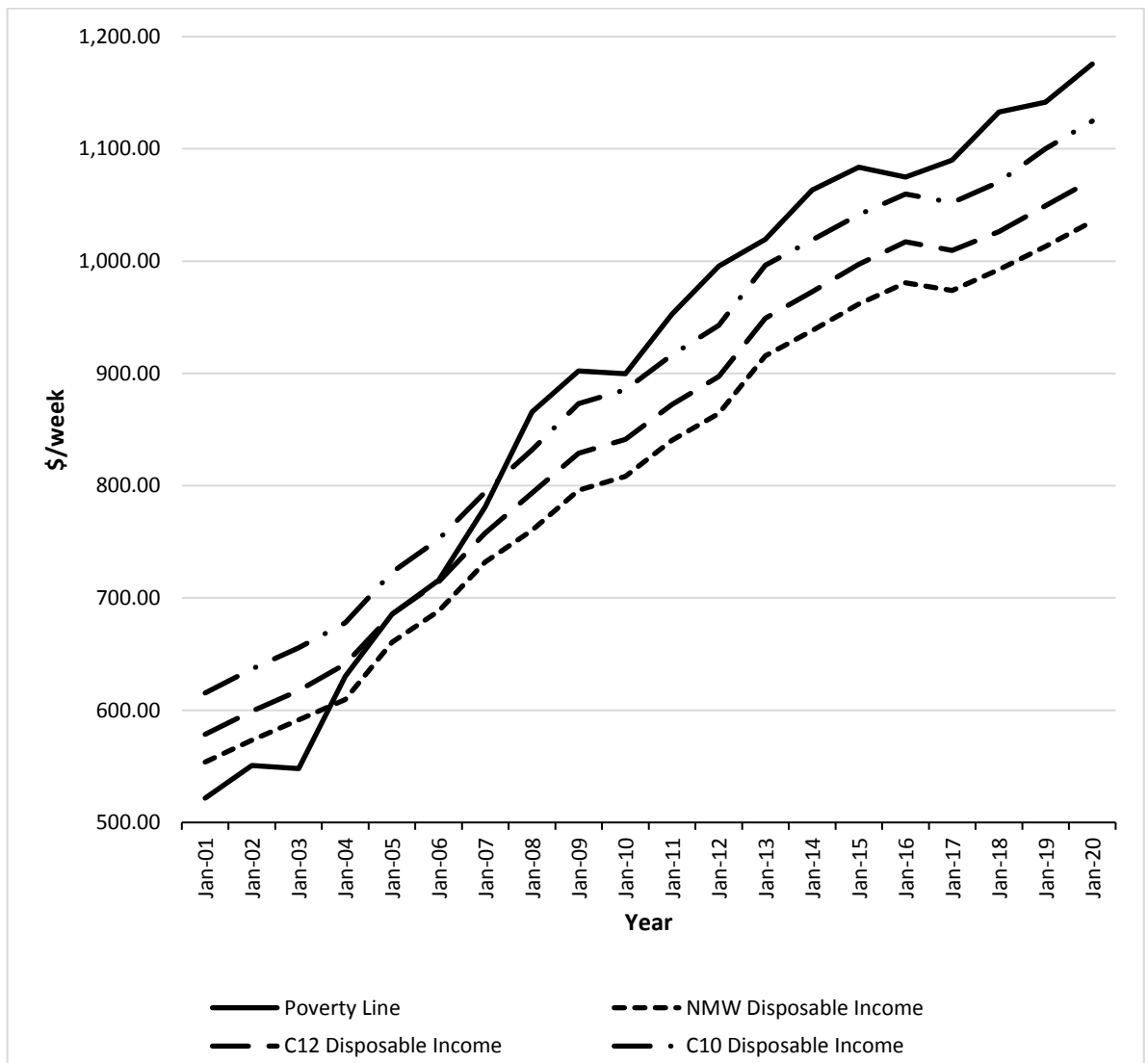
Sole parents working part time

54. Table 8.6 has, at September 2019, NMW-dependent sole parents working 19 hours per week at **15% below** the poverty line (with one child) and **19% below** the poverty line (with two children). In both cases even a job paying the C10 wage, trade qualified or equivalent rate, would not lift them above the poverty line (with deficits of **6%** and **12%**, respectively).
55. The 2016 Census data in Appendix B shows that 30.8% of low income sole parents are employed part time, and that they comprise 75.3% of all employed sole parents. Many part time workers are employed as casuals, and paid a casual loading, but their casual loading is set on the basis that it is compensation for the loss of the cash benefits of continuing employment and the irregularity of the hours of work. The plight of the many who do not have full time employment, reinforces the need for an increase in the NMW and the C13 to C10 rates so that they can be described as a true safety net.
56. It submitted that the difficulties facing part time employees are the product of two factors: the failure of minimum wage rates to keep pace with rising community-wide wage increases over the past two decades and more; and the effective adoption of the single person criterion for the setting of minimum wages. The NMW is now at a level that the Commission regards as reasonable for a single person working full time. For many sole parents or families with one working parent, this measure is inadequate.

Increasing poverty: the poverty gap widens

57. Figure 1 converts data on relative living standards into a graph that compares disposable incomes with the 60% poverty line. The data for this graph are in Appendix A at Tables A5 to A8. For the reasons indicated above, the poverty line can be seen as a line representing the position where people who are in front of that line enjoy a decent standard of living. The poverty gap, i.e. the difference between household income and the poverty line, can be viewed as a measure of disadvantage: i.e. it measures the extent, in money terms, to which the family is deprived of a decent standard of living.

Figure 1
Disposable Incomes of Safety Net-dependent Families Relative to 60% Poverty Line
(Couple and two children)
January 2001 – January 2020



58. The data in Tables A5 to A8 of Appendix A for the first few years after 2001 need to be treated with some caution because estimates of household disposable income in those years have not been adjusted to reflect subsequent changes in data collation. The same caveat applies in relation to the comparisons in Figure 1. This aspect is also referred to in Chart 8.5 of the *Statistical Report* of 6 March 2020, where changes in the Gini coefficient of equivalised household income are shown over the years since 1994-95. Nevertheless, the figures for the earlier years have some utility. Mindful of the caveat in relation to the changes to the data collection in the earlier years, our calculations generally refer to changes since January 2004.
59. The tables in Appendix A show that the NMW-dependent family of a couple and two children fell further into poverty over these 16 years: from 3.2% below the 60% relative poverty line, with a poverty gap of \$20.40 per week, to **11.9% below** it, with a poverty gap in January 2020 of \$140.26 per week. Similar changes have impacted on C12-dependent

workers and their families. At January 2020 the C12-dependent family was **8.8% below** the poverty line, with a poverty gap of \$103.14 per week, yet in January 2004 it was 1.8% above the poverty line, with a margin above the poverty line of \$11.18 per week.

60. We draw attention to the position of the C10-dependent family of a couple and two children. The tables demonstrate that even the acquisition of skills and responsibilities that come with a trade, or trade equivalent, occupation, the C10 (or equivalent) wage rate is still insufficient to lift the family above the 60% relative poverty line and provide it with a decent standard of living. In January 2004 it was 7.6% above the poverty line, but in January 2020 it was **4.3% below** the poverty line.
61. In January 2004 the C10-dependent single worker without family responsibilities was 48.3% above the 60% relative poverty line, but by January 2020 had fallen to 33.9% above the poverty line. This represents a large cut in relative living standards, although less than the cuts suffered by workers with family responsibilities.
62. Many low income working families are living in poverty and deprived of a decent standard of living. This deleterious trend has been hidden within the national statistics recording, for most of this period, the very substantial increases in Australian average incomes, wealth and living standards. It is respectfully submitted that the principal cause of this has been the failure of safety net wages to reflect rising community incomes over the past 20 years and more.

Budget standards research

63. The utility of the 60% of median measure as a guide to the income needed to avoid poverty is a matter that depends on empirical research, of which there is very little in Australia.
64. The best evidence of the financial needs of low income Australians is found in research by the Social Policy Research Centre (SPRC) at the University of New South Wales. The research was undertaken by Professor Peter Saunders and Megan Bedford, who are the authors of the research report, *New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians*, published in August 2017. As the name suggests, the research was not concerned with finding poverty lines, but with calculating the disposable income that would be needed for various kinds of households in order to achieve a healthy living standard. It has a margin above poverty. The Minimum Income for Healthy Living (MIHL) budget standards established by this research for the low income working households were all in excess of the 60% poverty line.
65. In Table 1 we compare the MIHL budget for each of the five households covered by the research with the estimated median equivalised disposable household incomes for these households.

Table 1
Budget standards compared with 60% of median poverty lines in
selected households June 2016
(\$ per week)

	Budget Standard	60% of median	Budget Standard margin over 60% of median
Single adult	597.31	516.92	80.39
Couple, no children	833.24	775.38	57.86
Couple, 1 child	969.90	930.46	39.44
Couple, 2 children	1173.38	1085.53	87.85
Sole parent, 1 child	827.70	672.00	155.70

Notes: At December 2015 the median equivalised disposable household income was \$853.00 per week, with the 60% relative poverty line being \$511.80; see *Household Income and Wealth, Australia, 2015-16*, cat. no. 6523.0. This figure needs to be adjusted in order to calculate the 60% of median poverty line at the same date as that used in the research. The estimated figure for the single person's 60% relative poverty line, or 60% of the median, at June 2016 is \$516.92.

66. Table 1 demonstrates that, in all five households the minimum income needed for the healthy living budget standard was substantially in excess of the 60% median line at June 2016. In the case of the couple and two children family, the budget standard was 8.1% above the 60% of median measure. To put this in another way, the budget standard, at \$1,173.38 per week, was 64.9% of median equivalised disposable household income.
67. The budget standards were calculated at June 2016. Having regard to the passage of time the standards and the 60% of median figures should be revised. There are two ways that this may be done: either by an increase in the budgets reflecting increases in the CPI or by an amount that reflects changes in household disposable income. The former reflects the cost of the budget and the latter reflects the setting of the budget in a social context. The Melbourne Institute prefers the latter in its adjustments to its poverty line calculations. Following the *Poverty Lines* calculations by the Melbourne Institute these calculations should be adjusted to reflect the increase in household disposable income, (which has increased from June 2016) to the time of the last published figures, September 2019: from \$824.18 to \$874.28 per week, or 6.1%. Over the period June 2016 to December 2019 the CPI increased by 7.0%; see *Consumer Price Index, Australia December Quarter 2019* cat. no. 6401.0, Table 1. This is an issue of some importance in

the ongoing use of the research in annual wage reviews, but one which, we submit, does not need to be resolved in the current review.

68. The importance of the budget standards research is that it reveals that the amount of disposable income required, particularly for families, was significantly in excess of that identified by the 60% poverty line. This is notwithstanding that the issue of CPI since 2016 has not been addressed. Once those adjustments are made, the 60% poverty line falls even further behind what is required for a decent standard of living.
69. This supports the ACBC's submission that in order for the annual review to provide a true safety net, every cohort of workers should be in advance of the 60% poverty line.

Research on the level of poverty in Australia

70. In every Annual Wage Review the Commission has confronted data which has demonstrated high levels of poverty in Australia. The critical point about this evidence is that it has not been contradicted. Whilst there is an academic debate about which poverty line should be used as a measure of poverty, (whether the appropriate poverty line is at 50% or 60% of the median) that academic debate is immaterial to the substance of the evidence. Households with incomes below 60% of median should be regarded as significantly disadvantaged. This much is made clear by the budget standards research.
71. The evidence has established, and the Commission has accepted, that many homes are in poverty even where there is full time employment. In 2013, for example, in referring to statistics in *Poverty in Australia 2012* the Commission stated:

"The data in Poverty in Australia 2012 show that of all people with disposable incomes below 60 per cent of the median, 20.5 per cent were employed full-time, 13.5 per cent were employed part-time and 5.9 per cent were unemployed—the remainder were not in the labour force. Low-paid employment appears to contribute more to the total numbers in poverty than does unemployment." (June 2013 decision, paragraph 408, footnote omitted and emphasis added)

72. The report *Poverty in Australia 2018*⁹ was published by the Australian Council of Social Services (ACOSS) in November 2018. The report was prepared by the SPRC at the University of New South Wales and based on research for the year 2015-16. It found that a large proportion of those living in poverty were in households where there was full time employment: 663,800 at the 50% measure and 1,112,400 at the 60% measure; and in homes where there was part time employment, there were 342,200 below the 50% poverty line and 564,400 below the 60% poverty line; page 27.
73. *Poverty in Australia 2018* also found that, among the total number living in poverty, there were 620,200 children under the age of 15 living in poverty at the 50% of median level, with 912,300 in poverty at the 60% level; page 26.
74. The importance of this data cannot be underestimated. Firstly, it demonstrates the troubling reality that a very large number of Australians are living in poverty and disadvantage.
75. Secondly, and perhaps more importantly for the present exercise, it is entirely consistent with the data from Table 8.6 discussed above at [52] to [56]. The fact that there are approximately 1,112,400 living at the 60% poverty line where there is also full time

⁹ There was no *Poverty in Australia* for 2019. The 2020 Overview Report only provides an introduction to the report.

employment in their household is consistent with the data that families working full time at NMW to C11 rates are below the 60% line. This data proves that examples identified in Table 8.6 and highlighted [52] to [56] above are not theoretical. This data shows that there are nearly 1,112,400 Australians for who the current NMW rates are not an effective safety net.

76. Unfortunately the data does not descend to a sufficient level of granularity to enable a precise examination of the numbers of full time workers who are affected. However, it must be true that not all of those 1,112,400 people were the wage earners. If one assumes that the wage earners comprise 20% of that group (i.e. one in every five), that means that there are still approximately 222,480 people receiving a full time wage which is not sufficient to constate a safety net for them and their families.
77. The conclusion to be drawn from these statistics in *Poverty in Australia 2018* is that the Commission's decisions have the capacity to improve or reduce the living standards of more than 1.6 million Australians who are living in poverty and disadvantage. It demonstrates that a large proportion of child poverty is found in homes in which there is full time or part time employment. Moreover, it demonstrates, in conjunction with Table 8.6 that the current minimum wage rates do not answer the statutory command contained in s. 284 of the FW Act because they are not a safety net.
78. While we know from these research projects how many children are living in poverty and how many Australians living in poverty are in households where there is a full time or part time employee, the reports do not estimate how many children are living in poverty despite a parent having a full time or a part time job.
79. In Appendix B we draw data from the 2016 Census on the number and working patterns of households with children which are below or near the 60% relative poverty line.
80. The ACOSS report also refers to the most recent data from the Organisation for Economic Co-operation and Development (OECD), which show that in 2014-15 the Australian Poverty rate at the 50% level was 12.8%, which was above the OECD average of 12.1%. Australia had the 14th highest rate among the 34 OECD countries. Part of the reason for this poor performance is, we submit, the failure of minimum wage rates to provide sufficient support for low wage working families.
81. ACBC has referred in past reviews to a Productivity Commission Staff Working Paper, entitled *Deep and Persistent Disadvantage in Australia*, which was published in July 2013. This paper (by Rosalie McLachlan, Geoff Gilfillan and Jenny Gordon) is a very substantial contribution to the understanding of a range of issues concerning disadvantage, social exclusion and poverty. The scope of the research paper was "to find answers to a number of questions, including:
 - (a) what does it mean to be disadvantaged?
 - (b) how many Australians are disadvantaged and who are they?
 - (c) what is the depth and persistence of disadvantage in Australia?
 - (d) where do Australians experiencing disadvantage live?
 - (e) what factors influence a person's risk of experiencing disadvantage?
 - (f) what are the costs of disadvantage and who bears them?" (Page 4)
82. The paper provides:

“There are a number of reasons why policy makers need a better understanding about the nature, depth and persistence of disadvantage.

- 1. There is a high personal cost from disadvantage. People can suffer financially, socially and emotionally, have poor health and low educational achievement. Family, particularly children, and friends can also be affected. Given that key objectives of public policy are to improve the lives and opportunities of Australians (both today and in the future), it is important to find ways to reduce, prevent and ameliorate the consequences of disadvantage.*
- 2. Disadvantage reduces opportunities for individuals and society. By addressing disadvantage, more Australians can be actively engaged in, and contribute to, the workforce and to society more generally. Higher levels of engagement typically lead to higher personal wellbeing — improved living standards and quality of life.*
- 3. Disadvantage has wider consequences for Australian society. For example, persistently disadvantaged communities can erode social cohesion and have negative social and economic consequences for others. Overcoming disadvantage can lead to safer and more liveable communities.*
- 4. Support for people who are disadvantaged and the funding of programs to overcome disadvantage involves large amounts of taxpayers’ money and private funding. Policy relevant questions include: what are the most effective investments for reducing and preventing disadvantage; and what are the costs and benefits?” (Page 28)*

83. It is submitted that there is more than sufficient information about the deleterious impact of poverty and disadvantage on society. Various research reports which show that many hundreds of thousands of Australians are living in poverty and that a full time job is not a means of escaping poverty for low income families.
84. The effect of this is that the NMW and C13 to C10 wage rates presently do not answer the description of being a safety net of fair minimum wages.
85. Whilst it is true that, as it was observed at [336] of the 2019 Annual Wage Decision that approximately 180,200 workers are dependent upon the NMW and that, accordingly, the cohort of people who are dependent upon the NMW and find themselves in poverty or disadvantage must be less than that figure. However, it must be noted that according to Table 8.6, it is not just families on the NMW that are in poverty. Families who are dependent on the C11 wage rate are also in poverty. That extends the affected individuals beyond the numbers identified by the Full Bench. Indeed, as explained above the data suggests that the total number is in excess of 220,000 wage earners for who the minimum wage rates are not sufficient to keep them and their families out of poverty.
86. So there can be no confusion, the ACBC accepts that:
- (a) the Annual Wage Review and the setting of the NMW is a blunt instrument to address disadvantage; and
 - (b) increasing the NMW will have broader implications.
87. However, those facts do not change the nature of the statutory command issued in s. 284. Most importantly, those facts do not relieve the Commission of the need to comply with that statutory command contained in s. 284. The imperative issued by Parliament is that the Commission must establish and maintain a safety net of fair minimum wages. If the minimum wage order issued does not answer that description, the Commission has not

complied with its statutory obligation. It is, with respect, not to the point that some of the considerations identified in sub paragraphs (a) to (e) may point in a different direction. Ultimately, the exercise of the Commission's power must answer the statutory command.

CONSIDERATION OF THE MATTERS IDENTIFIED IN S. 284(1)(A)-(E) OF THE FW ACT

Performance and Competitiveness of the National Economy

88. Whilst the focus of these submissions is whether the NMW and the C13-10 rates contained in modern awards answer the description of being a safety net of fair minimum wages and the consideration identified at s.284 (1)(c) of the FW Act, it is necessary for the ACBC to say something about the considerations identified in (a).

SPECIFIC CONSIDERATIONS

89. Section 284(1)(c) provides that when setting a safety net of fair minimum wages, the Commission must take into account the performance and competitiveness of the national economy, including productivity, business competitiveness and viability, inflation and employment growth. This requires a consideration of the effect an increase in minimum wages will have on inflation, wage growth and the economy.

Inflation

90. At [72] of the 2019 Annual Wage Decision, it was observed that:

"Inflationary pressure is non-existent and, notably, the increases we have awarded appear to have had little effect on overall wages growth either generally or in the 5 most award-reliant industries."

91. Inflation was recorded at a rate of 1.7% at December 2018 and 1.8% at December 2019.¹⁰ This is reasonably consistent with previous years and indicates that a further increase in the NMW will not have a negative impact upon inflation.
92. In the *Statement on Monetary Policy for February 2020*, the Reserve Bank of Australia (RBA) provided that "the labour market has the capacity to absorb additional labour demand before anything more than gradual upward pressure is generated for wage and price inflation."¹¹
93. ACBC submits that an increase in the NMW and the C13-10 rates contained in modern awards will not adversely affect inflation.

Wage Growth

94. The Wage Price Index (WPI) increased by 2.2% in the year ending December 2019.¹² In comparison, WPI was 2.3% in the year ending December 2018.¹³ WPI has decreased in the public sector from 2.5% in December 2018, to 2.2% in December 2019. Furthermore,

¹⁰ Australian Bureau of Statistics, 6401.0 Consumer Price Index, Australia, Table 1.

¹¹ Reserve Bank of Australia, *Statement on Monetary Policy*, February 2020, p 34.

¹² 6345.0 - Wage Price Index, Australia, Dec 2019.

¹³ 6345.0 - Wage Price Index, Australia, Dec 2018.

the private sector WPI saw decreases from 2.3% to 2.2% in the years ending December 2018 from December 2019, respectively.

95. The RBA notes that "Unions' expectations for wages growth...do not suggest a pick-up in wages growth over the year ahead."¹⁴
96. The Annual Wage Review decisions of the Commission "directly (affect) wage growth of around 20% of employees who are on an award wage."¹⁵
97. The stagnancy of WPI indicates that increases in the NMW and the C13-10 rates are needed to offset the institutional obstacles preventing wage growth.

Economic Considerations

98. It was observed at [72] of the 2019 Annual Wage Decision that:

"It remains the case that neither we, nor the parties, have identified any data which supports the conclusion that the increases awarded have had a discernible detrimental effect on the labour market or the economy generally."¹⁶

99. Gross Domestic Product (**GDP**) growth was recorded at 2% for the year ended December 2019.¹⁷ It is forecasted to increase gradually from June 2020 to June 2021, from 2% to 3%.¹⁸
100. The RBA notes, "the bushfires and the coronavirus are expected to weigh modestly on growth in late 2019 and into early 2020, but growth should recover relatively quickly."¹⁹ Given the steady increase in GDP growth, ACBC submits that increasing the NMW and the C13-10 rates will not have an adverse effect on the economy.
101. The effect of the foregoing is that whilst the quantum of increase sought by the ACBC is significant, there are unlikely to be adverse economic consequences from the making of such an order. It is submitted that the consideration of the competitiveness of the national economy is not a matter which would lead to the Commission not making the orders sought.

Relative Living Standards and the Needs of the Low Paid

102. The consideration identified in s. 284(1)(c) is a direct statutory acknowledgement that in order for the Commission to effectively make a safety net that is fair, the Commission must take into account the relative living standards and needs of the low paid. However, the inclusion of this consideration does not mean that the Commission is relieved of ultimately making an order which answers the statutory description in the first part of (1).
103. Many of the factors identified above at [90] to [101] are directly relevant to a consideration of the relative living standards and the needs of the low paid. In addition to the matters set out above, the ACBC would also submit that a consideration of the following matters would lead the Commission to the view that an increase of the quantum sought by the ACBC was necessary.

¹⁴ Reserve Bank of Australia, Statement on Monetary Policy, February 2020, p 69.

¹⁵ Reserve Bank of Australia, Statement on Monetary Policy, February 2020, p 70.

¹⁶ [2019] FWCFB 3500 [72]

¹⁷ RBA, Statement of Monetary Policy February 2020, p 72.

¹⁸ RBA, Statement of Monetary Policy February 2020, p 72.

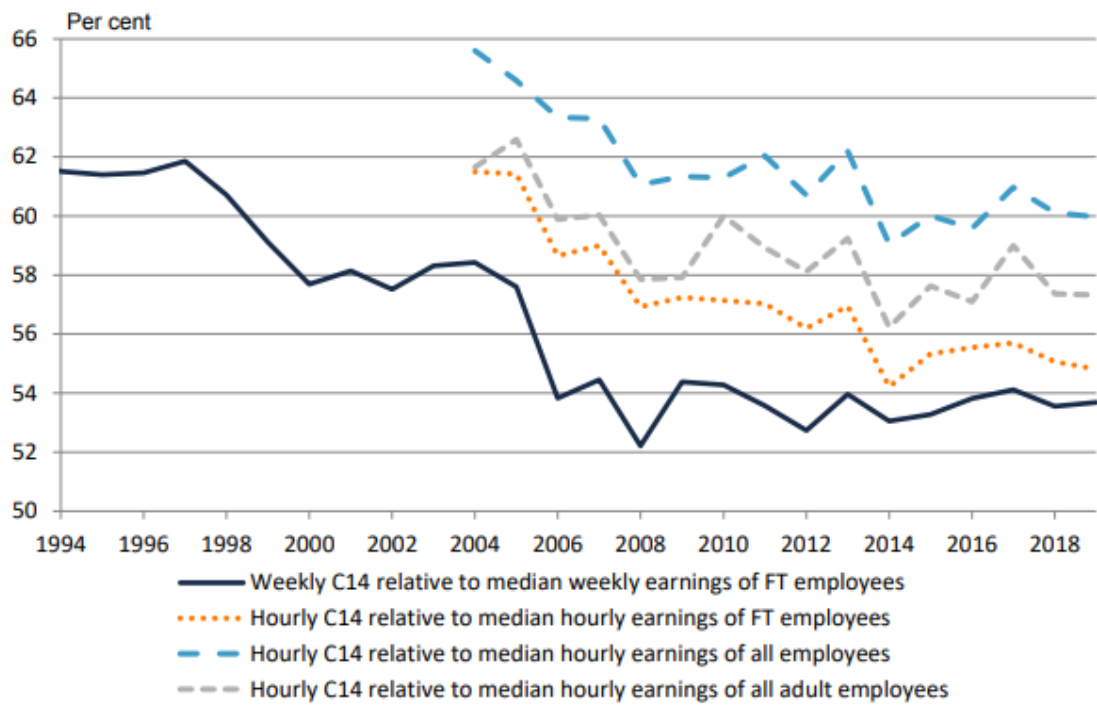
¹⁹ RBA, Statement of Monetary Policy February 2020, p 72.

Cuts in relative wage levels

104. Figure 2, which is copied from Chart 8.3 of the Commission's *Statistical Report* of 6 March 2020, illustrates the cuts in the relative value of the NMW and its predecessors over the past 25 years. Also reproduced are the notes to the chart.

Figure 2

The C14 rate relative to median weekly earnings of employees in main job 1994 - 2019



Note: Median earnings are measured in August of each year. Following the amendments to the *Workplace Relations Act 1996* (Cth) taking effect in 2006, the Federal Minimum Wage (FMW) was set at \$12.75 per hour, equivalent to \$484.50 per week.

Earnings are for employees including owner managers of incorporated enterprises. Median earnings from 2004 onwards are taken from the Characteristics of Employment (COE) survey, with median hourly earnings of adult employees sourced from unpublished COE data. The median earnings data reflect revised estimates as a result of rebenchmarking.

Source: ABS, *Characteristics of Employment, Australia*, various, Catalogue No. 6333.0; ABS, *Employee Earnings, Benefits and Trade Union Membership, Australia*, various, Catalogue No. 6310.0; ABS, *Weekly Earnings of Employees (Distribution), Australia*, various, Catalogue No. 6310.0; *Metal, Engineering and Associated Industries Award 1998; Manufacturing and Associated Industries and Occupations Award 2010*.

105. Figure 2 shows that in 1997 the FMW was close to 62% of median earnings. The year by year changes in since 1997 are in Table A9 of Appendix A. In 1997 the FMW was 61.9% of median wages. In August 2019 the NMW was 53.7% of median wages, down from 54.1% in August 2017. These cuts were imposed by the Australian Industrial Relations Commission (AIRC) from 1994 until 2005 and then by the AFPC from 2006 to 2009.
106. Table 2 provides the essential details of the cuts in the relative values of minimum wage rates over the past 22 years. Since 1997 median wages have increased by 137.5% and average ordinary time wages have increased by 132.9%, compared to increases of 106.1% in the NMW, 98.5% in the C12 rate and 91.2% in the C10 rate and 73.5% in the C4 rate. These cuts have reduced the relative living standards of those who rely on them and have had an indirect effect on many others whose actual wages are influenced by the level at which minimum wages rates are set. The cuts have increased inequality and poverty levels.

Table 2

Increases in various minimum wage rates and in median and average wages

1997 – 2019

(\$ per week, unless otherwise stated)

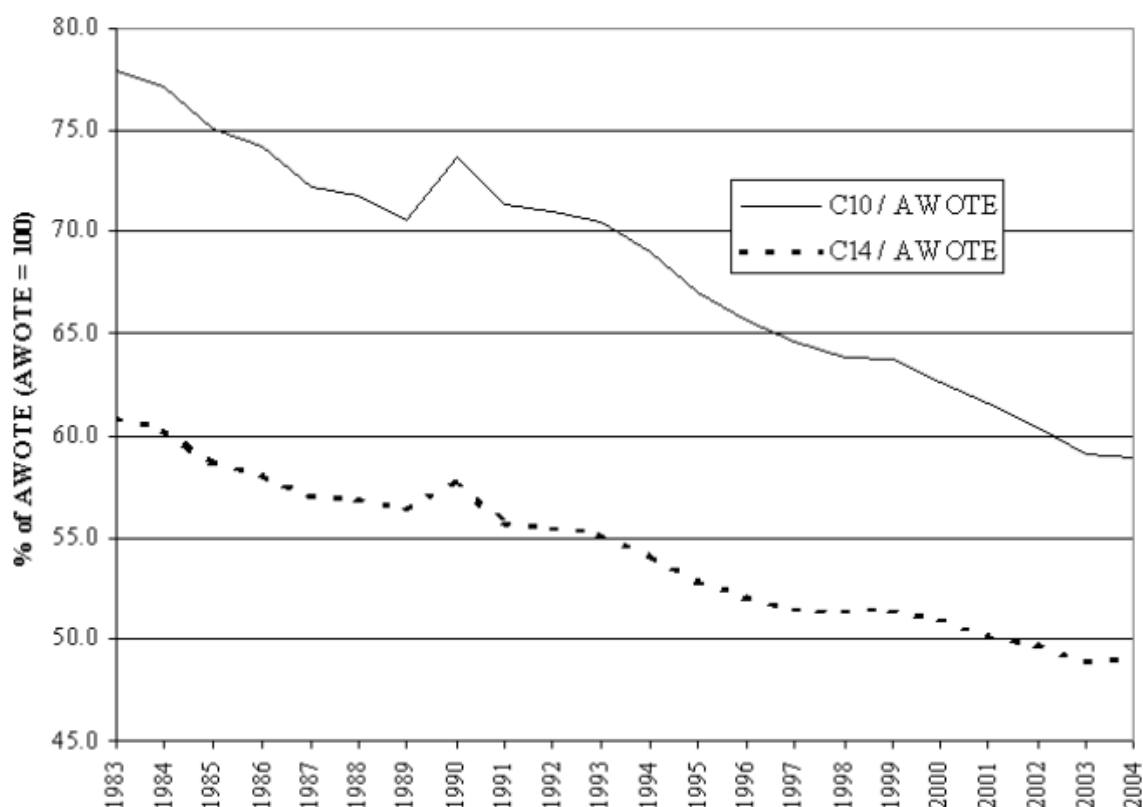
	NMW	C13	C12	C10	C4	Median Wages	Average Wages
1997	359.40	376.10	398.60	451.20	597.20	581.00	712.10
2019	740.80	762.10	791.30	862.50	1036.10	1380.00	1658.70
% increase	106.1%	102.6%	98.5%	91.2%	73.5%	137.5%	132.9%

Notes: Median wages; see Table A9 in Appendix A. Average wages; see Table A10 in Appendix A.

107. A longer term perspective was given in the ACTU's submission of 10 October 2016 in the Annual Wage Review 2016-17. The submission showed that until 1992 the NMW was never less than 7.0% above 60% of the median, i.e. never less than 64% of the median.

108. Table A9 of Appendix A also records the changes in the position of the C12 and C10 wage rates relative to median earnings over the period 1997 to 2019. The C12 rate has fallen from 68.6% to 57.3% of median earnings, while the C10 rate has fallen from 77.7% to 62.5%. These are alarming figures.
109. Table A10 in Appendix A tracks changes in the relationship between Average Weekly Ordinary Time Earnings (AWOTE) and three minimum wage rates over the period November 1997 to November 2019. Each of the three has suffered a significant loss of relativity compared to the increase in this measure of average weekly wages. The C12 wage rate, for example, has fallen from 56.0% of AWOTE in 1997 to 47.7% in 2019. It is instructive to compare the first five years with the last five years of these 22 years. In the five years 1997 to 2001 the NMW was, on average, 50.2% of AWOTE, but in the five years 2015 to 2019 it was down to 44.3% of AWOTE. The decline in the relativity of the C10 wage rate was even greater when comparing the same five year periods: from 62.2% to 51.6%.
110. Figure 3 is copied from Chart 18 in the AIRC's Safety Net Review Case 2005 decision, the last decision by the AIRC before the *Work Choices* legislation came into operation. It had been tendered as Exhibit ACTU 3.1.

Figure 3
C14 and C10 wage rates as a Proportion of Average Weekly Ordinary
Full-Time Adult Earnings
1983-2004



111. In referring to this chart, the AIRC commented:

"[406] Chart 18 shows the relationship between the minimum wage (C14) and the tradesperson's rate (C10) and ordinary full-time adult earnings. The chart was tendered by the ACTU and not challenged. It shows a continuing decline in both rates over the past 20 years. Since 1996, the relative reduction we have already noted in the minimum wage has been even more pronounced in the tradesperson's [C10] rate."

112. Whilst the increase in family payments in the two decades from the late 1970s and the limiting of wage increases because of the wages/transfers trade-off agreements during the 1980s provide part of the reason for increases in minimum wage rates falling behind increases in average and median wages over that period, the cuts in minimum wage rates relative to average and median wage increases since 1990 cannot be justified by any improvements in the social safety net.
113. It is respectfully submitted that this decline in the C14 to C10 rates as against the AWOTE are clear and unequivocal evidence that the living standards of the low paid have declined against the balance of the working community. That is a powerful factor in support of the increase sought by the ACBC.

Comparing the wages and pensions safety nets

114. The ACBC submit that a safety net of fair minimum wages ought to produce fair outcomes for safety net-dependent workers and their families compared to other relevant groups in the community and the community as a whole. It is submitted that the living standards of those who rely on pensions should be a relevant matter in taking into account "relative living standards", as the Commission is required to do when setting minimum wage rates. In 2018-19 there were approximately 2.54 million Age Pension recipients, with 62% receiving a full-rate pension and 38% receiving a part-rate pension as a result of the incomes and assets tests; Services Australia, *Annual Report 2018-19*, page 53.
115. In 2009 new arrangements were introduced for age and disability pensions following the Commonwealth Government's *Secure and Sustainable Pension Reform*. The changes were based on the *Pension Review* conducted by Dr Jeff Harmer, the Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs. A central part of that review was to identify a pension rate that provides "a basic acceptable standard of living" for those who are reliant on it.
116. Table 3 compares the living standards of pensioners and three safety net-dependent families in January 2020 by the use of the equivalence scales used by the ABS. Three wage rates are used: the NMW, the C12 and the C10 minimum wage rates. It is not concerned with identifying poverty lines or lines of income adequacy, but with comparing the outcomes for working families and for pensioners who rely totally on government transfers by reference to median equivalised disposable household income (MEHDI). It compares relative living standards and relates each of the households to the community-wide measure.

Table 3
Relative living standards of pension and safety net-dependent families
January 2020

Household	Disposable income \$ per week	Equivalence scale	Equivalised income \$ per week	Disposable income as percentage of MEDHI
NMW-dependent family, second parent not seeking employment, 2 children	1,035.32	2.1	493.01	52.8%
C12-dependent family, second parent not seeking employment, 2 children	1,072.44	2.1	510.69	54.7%
C10-dependent family, second parent not seeking employment, 2 children	1,124.76	2.1	535.60	57.4%
Couple on age pension	765.85	1.5	510.57	54.7%
Single person on age pension	533.85	1	533.85	57.2%

Notes: The median equivalised disposable household income (MEDHI) at January 2020 is estimated to be \$933.00 per week. The disposable incomes of the NMW, C12 and C10-dependent families are taken from Tables A6, A7 and A8 of Appendix A. The working family incomes and the pension rates include maximum rental assistance. All transfer payments and annual payments have been adjusted on the basis of the year comprises 52.18 weeks.

117. Table 3 shows that the pension safety net for a couple, \$765.85 per week, produces a standard of living that is 1.9 percentage points higher than that of a NMW-dependent family of two adults and two children with a disposable income of \$1,035.32 per week. The family would need \$1,071.74 per week, an extra \$36.42 per week, to have the same recorded standard of living as that estimated for the pensioner couple.
118. This comparison understates the differences between those on the wages safety net and those on the pension safety net. The NMW-dependent family has the costs of work, unlike pensioners. Furthermore, we need to take into account the fact that pensioners are entitled to the pensioner concession card with its wide range of benefits, including health care.
119. The equivalence scales do not take into account the costs of or absence of costs of work across households. The Commission has published data on the costs of work. The *Statistical Report* of 20 March 2015 (at Table 14.1) contained data on the costs of

working, other than child care. A note to the table read “As an example of how these data can be read, results show that the average cost of working is \$70.75 for full-time award-reliant males and that they spent, on average, 8.0 per cent of their weekly gross wages on the costs of working.” This figure has not been updated or qualified in subsequent releases, but it is clear that the average costs of working are substantial.

120. Taking into account the costs of work and the value of the pensioner concession card, we can conclude that the pensioner couple has a higher standard of living than the C10-dependent family. The fact that the minimum rate for a skilled worker provides a standard of living below that provided to pensioners is a sign that there is something wrong with the minimum wages system.
121. The Commission has held that “a comparison with pensioners for the purpose of assessing the relative standards of the low paid is of very limited relevance” (May 2016 decision, paragraph 354) and refused ACBC’s application in the following year for it to depart from that view (June 2017 decision, paragraph 368). Notwithstanding this, the ACBC respectfully submits that the comparison with the aged pension are relevant. This is because the ACBC is not urging a comparison between working families and a small segment of the population. The 2016 Census identifies that approximately 1,270,000 Australians are living in disadvantaged low income wage-dependent families, which is about half of the approximately 2.54 million Australians living on Government age pensions.
122. Having regard to the obligation for the Commission to take into account relative living standards when setting a safety net of fair minimum wages, why, we ask, should the higher paid workers in these working families have to work overtime and/or take an extra job, in order for them to achieve the higher standard of living provided to approximately 2.54 million on the age pension?
123. The ACBC respectfully submits that the comparison with the aged pension is matter which supports the making of an order in the terms sought.
124. The effect of the foregoing is that when one considers the ongoing decline of the relative living standards of the low paid and the concomitant increasing needs, are factors which strongly count in favour of the increase sought by the ACBC.

CONCLUSION

125. The ACBC submits that the evidence reveals that a significant cohort of Australian workers who are dependent upon the NMW and the C13 to C10 wage rates contained in modern awards are not receiving a decent living wage. Many of those groups are well below the 60% poverty line or are sufficiently close to that poverty line such to say that they are not protected from the ill effects of poverty and disadvantage.
126. The ACBC submits that the fundamental requirement of the minimum wage objective contained in s. 284 of the FW Act is that any order issued by the Commission must answer the description of being a *safety net* of fair minimum wages. Any order that results in cohorts of workers not receiving a wage which keeps them from poverty and disadvantage, does not answer that description.
127. For those reasons, the ACBC respectfully submits that an increase in the amount of 4% should be granted to the NMW and flowed on to, at a minimum, the wage rates at the C13 to C10 level in all modern awards.



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Australian Catholic Bishops Conference

Annual Wage Review
2019-20 Submission
Appendices

March 2020

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Appendix A

Measures of Living Standards

List of Tables

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Table A2	Relative living standards single workers without children January 2001 – January 2020
Table A3	Relative living standards of Couple parent families with two children January 2001 – January 2020
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Table A1
Median equivalised disposable household income
January 2001 – January 2020
(\$ per week)

	Median equivalised disposable household income (ABS)	Household Disposable Income per head (Melbourne Institute)	Median equivalised disposable household income (MEDHI)
January 2001	414.00	413.61	414.00
January 2002	-	455.00	437.00
January 2003	435.00	451.58	435.00
January 2004	500.00	477.34	500.00
January 2005	-	512.56	544.00
January 2006	568.00	530.84	568.00
January 2007	-	570.89	620.00
January 2008	687.00	619.91	687.00
January 2009	-	683.90	716.00
January 2010	714.00	680.19	714.00
January 2011	-	722.35	756.00
January 2012	790.00	753.39	790.00
January 2013	-	761.43	809.00
January 2014	844.00	795.09	844.00
January 2015	-	810.18	860.00
January 2016	853.00	815.35	853.00
January 2017	-	826.57	865.00
January 2018	899.00	842.76	899.00
January 2019	-	849.11	906.00
January 2020	-	874.28	933.00

Household Disposable Income (HDI) per head figures for January 2001 to January 2019 are taken from *Poverty Lines Australia, September Quarter 2019*, published by the Melbourne Institute. The figures for January 2017 to January 2019 are taken from *Poverty Lines Australia, September Quarter 2019*, the latest available publication in this series. The figure used for each January is the published figure for the immediately preceding December quarter. The HDI estimate for January 2020 is the published figure for September 2019 *Poverty Lines Australia, September Quarter 2019*. The next in this series, covering the December quarter 2019, is due to be published in April 2020 .

The median equivalised disposable household income figures from *Household Income and Wealth, Australia, 2017-18*, cat. no. 6523.0, at Table 1. As the published figures for all of those years are in 2017-18 prices, the earlier years have been re-calculated in accordance with the disclosed price adjustments in Table 1.1 and rounded to the nearest dollar. The median equivalised disposable household income figure for January 2018 is from *Household Income and Wealth, Australia, 2017-18*, cat. no. 6523.0, at Table 1. The financial year figures calculated by the ABS have been used for each January within the survey periods. The MEDHI figure for January 2019 is calculated by applying the HDI increase of 0.75%% from December 2017 to December 2018 to the ABS calculated figure of \$899.00 per week in 2017-18. The MEDHI figure for January 2020 is calculated by applying the HDI increase of 3.7%% from December 2017 to September 2019 to the ABS calculated figure of \$899.00 per week in 2017-18. Consistent with the ABS practice, the figures for the years not covered by the ABS surveys have been rounded to the nearest dollar.

Table A2
Relative living standards single workers without children
January 2001 – January 2020
(\$ per week)

	Median equivalised disposable household Income (MEDHI)	Disposable income (DI) NMW- dependent	DI of NMW as % of MEDHI	Disposable income (DI) C12- dependent	DI of C12 as % of MEDHI	Disposable income (DI) C10- dependent	DI of C10 as % of MEDHI
January 2001	414.00	346.38	83.7%	370.50	89.5%	406.53	98.2%
January 2002	437.00	354.76	81.2%	380.05	87.0%	416.81	95.4%
January 2003	435.00	366.37	84.2%	391.74	90.1%	429.14	98.7%
January 2004	500.00	377.93	75.6%	408.93	81.8%	444.77	89.0%
January 2005	544.00	396.78	72.9%	421.18	77.4%	457.78	84.2%
January 2006	568.00	412.84	72.7%	438.14	77.1%	475.4	83.7%
January 2007	620.00	449.93	72.6%	475.17	76.6%	510.94	82.4%
January 2008	687.00	467.59	68.1%	500.28	72.8%	538.06	78.3%
January 2009	716.00	494.29	69.0%	526.67	73.6%	570.03	79.6%
January 2010	714.00	497.17	69.6%	529.54	74.2%	572.9	80.2%
January 2011	756.00	521.86	69.0%	553.15	73.2%	596.56	78.9%
January 2012	790.00	537.49	68.0%	569.59	72.1%	614.52	77.8%
January 2013	809.00	556.87	68.8%	589.96	72.9%	636.14	78.6%
January 2014	844.00	569.44	67.5%	603.31	71.5%	648.47	76.8%
January 2015	860.00	581.11	67.6%	615.71	71.6%	658.72	76.6%
January 2016	853.00	593.75	69.6%	629.22	73.8%	670.69	78.6%
January 2017	865.00	606.23	70.1%	641.07	74.1%	682.48	78.9%
January 2018	899.00	623.78	69.4%	656.23	73.0%	698.99	80.5%
January 2019	906.00	647.10	71.4%	682.20	75.3%	731.61	80.8%
January 2020	933.00	662.54	71.0%	698.65	74.9%	749.55	80.3%

Note: The MEDHI calculations are taken from Table A1. The disposable incomes in the three columns are taken from the net minimum wage rates in Tables A6 to A8, below.

Table A3
Relative living standards of
Couple parent families with two children
January 2001 – January 2020
(\$ per week)

	Median equivalised disposable household Income (MEDHI)	Disposable income (DI) NMW-dependent	DI of NMW as % of MEDHI	Disposable income (DI) C12-dependent	DI of C12 as % of MEDHI	Disposable income (DI) C10-dependent	DI of C10 as % of MEDHI
January 2001	869.40	553.80	63.7%	578.51	66.5%	615.33	70.8%
January 2002	917.70	573.16	62.5%	599.04	65.3%	636.62	69.4%
January 2003	913.50	591.41	64.7%	617.37	67.6%	655.59	71.8%
January 2004	1,050.00	609.60	58.1%	641.18	61.1%	677.84	64.6%
January 2005	1,142.40	660.49	57.8%	685.48	60.0%	722.90	63.3%
January 2006	1,192.80	688.40	57.7%	714.28	59.9%	752.36	63.1%
January 2007	1,302.00	731.95	56.2%	757.77	58.2%	794.36	61.0%
January 2008	1,442.70	760.09	52.7%	793.37	55.0%	831.97	57.7%
January 2009	1,503.60	795.93	52.9%	828.89	55.1%	873.07	58.1%
January 2010	1,499.40	808.36	53.9%	841.31	56.1%	885.49	59.1%
January 2011	1,587.60	840.44	52.9%	872.32	54.9%	916.54	57.7%
January 2012	1,659.00	864.41	52.1%	897.12	54.1%	942.89	56.8%
January 2013	1,698.90	915.54	53.9%	949.25	55.9%	996.30	58.6%
January 2014	1,772.40	938.24	52.9%	972.75	54.9%	1,018.81	57.5%
January 2015	1,806.00	961.70	53.3%	997.17	55.2%	1,041.41	57.7%
January 2016	1,791.30	980.78	54.8%	1,017.15	56.8%	1,059.88	59.2%
January 2017	1,816.50	973.71	53.6%	1,009.62	55.6%	1,052.18	57.9%
January 2018	1,887.90	992.61	52.6%	1,026.31	54.4%	1,070.40	56.7%
January 2019	1,902.60	1,013.16	53.3%	1,049.25	55.15%	1,100.04	57.8%
January 2020	1,959.30	1,035.32	52.8%	1,072.44	54.7%	1,124.76	57.4%

Note: The MEDHI calculations are taken from Table A1, multiplied by 2.1. The disposable incomes in the three columns are taken from the Disposable Income rates in Tables A6 to A8, below.

Table A4
Relative living standards of
Sole parent with two children families
January 2001 – January 2020
(\$ per week)

	Median equivalised disposable household Income (MEDHI)	Disposable income (DI) NMW- dependent	DI of NMW as % of MEDHI	Disposable income (DI) C12- dependent	DI of C12 as % of MEDHI	Disposable income (DI) C10- dependent	DI of C10 as % of MEDHI
January 2001	662.40	553.80	83.6%	578.51	87.3%	615.33	92.9%
January 2002	699.20	573.16	82.0%	599.04	85.7%	636.62	91.0%
January 2003	696.00	591.41	85.0%	617.37	88.7%	655.59	94.2%
January 2004	800.00	609.60	76.2%	641.18	80.1%	677.84	84.7%
January 2005	870.40	660.49	75.9%	685.48	78.8%	722.90	83.1%
January 2006	908.80	688.40	75.7%	714.28	78.6%	752.36	82.8%
January 2007	992.00	731.95	73.8%	757.77	76.4%	794.36	80.1%
January 2008	1,099.20	760.09	69.1%	793.37	72.2%	831.97	75.7%
January 2009	1,145.60	795.93	69.5%	828.89	72.4%	873.07	76.2%
January 2010	1,142.40	808.36	70.8%	841.31	73.6%	885.49	77.5%
January 2011	1,209.60	840.44	69.5%	872.32	72.1%	916.54	75.8%
January 2012	1,264.00	864.41	68.4%	897.12	71.0%	942.89	74.6%
January 2013	1,294.40	915.54	70.7%	949.25	73.3%	996.30	77.0%
January 2014	1,350.40	938.24	69.5%	972.75	72.0%	1,018.81	75.4%
January 2015	1,376.00	961.70	69.9%	997.17	72.5%	1,041.41	75.7%
January 2016	1,364.80	980.78	71.9%	1,017.15	74.5%	1,059.88	77.7%
January 2017	1,384.00	973.71	70.4%	1,009.62	72.9%	1,052.18	76.0%
January 2018	1,438.40	992.61	69.0%	1,026.31	71.4%	1,070.40	74.4%
January 2019	1,449.60	1,013.16	69.9%	1,049.25	72.38%	1,100.04	75.9%
January 2020	1,492.80	1,035.32	69.4%	1,072.44	71.8%	1,124.76	75.3%

Note: The MEDHI calculations are taken from Table A1, multiplied by 1.6. The disposable incomes in the three columns are taken from the Disposable Income rates in Tables A6 to A8, below. The children are aged 8 to 12

Table A5
60% of median poverty lines for workers and families
January 2001 – January 2020
(\$ per week)

	Median equivalised disposable household income	Poverty Line Single	Poverty Line Couple and 2 children	Poverty Line Sole parent and 2 children
January 2001	414.00	248.40	521.64	397.44
January 2002	437.00	262.20	550.62	419.52
January 2003	435.00	261.00	548.10	417.60
January 2004	500.00	300.00	630.00	480.00
January 2005	544.00	326.40	685.44	522.24
January 2006	568.00	340.80	715.68	545.28
January 2007	620.00	372.00	781.20	595.20
January 2008	687.00	412.20	865.62	659.52
January 2009	716.00	429.60	902.16	687.36
January 2010	714.00	428.40	899.64	685.44
January 2011	756.00	453.60	952.56	725.76
January 2012	790.00	474.00	995.40	758.40
January 2013	809.00	485.40	1,019.34	776.64
January 2014	844.00	506.40	1,063.44	810.24
January 2015	860.00	516.00	1,083.60	825.60
January 2016	853.00	511.80	1,074.78	818.88
January 2017	865.00	519.00	1,089.90	830.40
January 2018	899.00	539.40	1,132.74	863.04
January 2019	906.00	543.60	1,141.56	869.76
January 2020	933.00	559.80	1,175.58	895.68

Table A6
Wages, taxes and family payments for NMW-dependent workers and families
January 2001 – January 2020
(\$ per week)

Year	NMW	NMW per year	NMW net	Medicare exemption	FTB A	FTB B	FTB A Supp.	FTB B Supp.	Rental assist. max.	Disposable income
2001	400.40	20,893	346.38	6.00	116.20	34.79	-	-	50.43	553.80
2002	413.40	21,571	354.76	6.20	122.92	36.82	-	-	52.46	573.16
2003	431.40	22,510	366.37	6.47	126.70	37.94	-	-	53.93	591.41
2004	448.40	23,397	377.93	6.73	130.48	39.06	-	-	55.40	609.60
2005	467.40	24,389	396.78	7.01	133.56	39.97	23.50	5.81	56.80	660.49
2006	484.40	25,276	412.84	7.27	137.06	41.02	24.06	5.88	58.27	688.40
2007	511.86	26,709	449.93	7.68	140.84	42.14	24.76	6.02	60.58	731.95
2008	522.12	27,244	467.59	7.83	145.46	43.54	25.60	6.23	61.84	760.09
2009	543.78	28,374	494.29	8.16	151.34	44.87	26.30	6.44	64.63	795.93
2010	543.78	28,374	497.17	8.16	156.94	46.55	27.28	6.65	65.61	808.36
2011	569.90	29,737	521.86	8.55	160.30	47.53	27.84	6.79	67.57	840.44
2012	589.30	30,750	537.49	8.84	164.64	48.79	27.84	6.79	70.02	864.41
2013	606.40	31,642	556.87	9.10	193.25	50.53	27.84	6.79	71.16	915.54
2014	622.20	32,466	569.44	9.33	199.74	52.26	27.84	6.79	72.84	938.24
2015	640.90	33,442	581.11	12.82	204.51	53.66	27.84	6.79	74.97	961.70
2016	656.90	34,277	593.75	13.14	208.54	54.58	27.84	6.79	76.14	980.78
2017	672.70	35,101	606.23	13.45	186.99	55.49	27.84	6.79	76.92	973.71
2018	694.90	36,260	623.78	13.90	188.69	55.49	27.84	6.79	78.12	992.61
2019	719.20	37,528	647.10	14.38	182.21	54.13	28.82	7.00	79.52	1,013.16
2020	740.80	38,655	662.54	14.82	185.56	55.11	29.38	7.13	80.78	1,035.32

Notes: Data for years to 2018 are from ACCER submission, March 2018, Table B6. Payments are calculated on the basis of the year being 52.18 weeks. From 2013 to 2016, the FTB A payment included the Schoolkids Bonus. The children are aged 8 to 12

Table A7
Wages, taxes and family payments for C12-dependent workers and families
January 2001 – January 2020
(\$ per week)

Year	C12	C12 per year	C12 net	Medicare exemption	FTB A	FTB B	FTB A Supp.	FTB B Supp.	Rental assist. max.	Disposable income
2001	439.60	22,938	370.50	6.59	116.20	34.79	-	-	50.43	578.51
2002	452.60	23,617	380.05	6.79	122.92	36.82	-	-	52.46	599.04
2003	470.60	24,556	391.74	7.06	126.70	37.94	-	-	53.93	617.37
2004	487.60	25,443	408.93	7.31	130.48	39.06	-	-	55.40	641.18
2005	506.60	26,434	421.18	7.60	133.56	39.97	23.50	2.87	56.80	685.48
2006	523.60	27,321	438.14	7.85	139.06	41.02	24.06	5.88	58.27	714.28
2007	551.00	28,751	475.17	8.26	140.84	42.14	24.76	6.02	60.58	757.77
2008	561.26	29,287	500.28	8.42	147.46	43.54	25.60	6.23	61.84	793.37
2009	582.92	30,417	526.67	8.74	151.34	44.87	26.20	6.44	64.63	828.89
2010	582.92	30,417	529.54	8.74	156.94	46.55	27.28	6.65	65.61	841.31
2011	609.00	31,778	553.15	9.14	160.30	47.53	27.84	6.79	67.57	872.32
2012	629.70	32,857	569.59	9.45	164.64	48.79	27.84	6.79	70.02	897.12
2013	648.00	33,813	589.96	9.72	193.25	50.53	27.84	6.79	71.16	949.25
2014	664.80	34,689	603.31	9.97	199.74	52.56	27.84	6.79	72.84	972.75
2015	684.70	35,727	615.71	13.69	204.51	53.66	27.84	6.79	74.97	997.17
2016	701.80	36,620	629.22	14.04	208.54	54.58	27.84	6.79	76.14	1,017.15
2017	718.60	37,897	641.07	14.52	186.99	55.49	27.84	6.79	76.92	1,009.62
2018	742.30	38,733	656.23	14.85	186.99	55.49	27.84	6.79	78.12	1,026.31
2019	768.30	40,090	682.20	15.37	182.21	54.13	28.82	7.00	79.52	1,049.25
2020	791.30	41,290	698.65	15.83	185.56	55.11	29.38	7.13	80.78	1,072.44

Notes: Data for years to 2018 are from ACCER submission, March 2018, Table B7. Payments are calculated on the basis of the year being 52.18 weeks. The children are aged 8 to 12

Table A8
Wages, taxes and family payments for C10-dependent workers and families
January 2001 – January 2020
(\$ per week)

Year	C10	C10 per year	C10 net	Medicare exemption	FTB A	FTB B	FTB A Supp.	FTB B Supp.	Rental assist. max.	Disposable income
2001	492.20	25,683	406.53	7.38	116.20	34.79	-	-	50.43	615.33
2002	507.20	26,466	416.81	7.61	122.92	36.82	-	-	52.46	636.62
2003	525.20	27,405	429.14	7.88	126.70	37.94	-	-	53.93	655.59
2004	542.20	28,292	444.77	8.13	130.48	39.06	-	-	55.40	677.84
2005	561.20	29,283	457.78	8.42	133.56	39.97	23.50	2.87	56.80	722.90
2006	578.20	30,170	475.40	8.67	139.06	41.02	24.06	5.88	58.27	752.36
2007	605.56	31,598	510.94	9.08	140.84	42.14	24.76	6.02	60.58	794.36
2008	615.82	32,133	538.06	9.24	147.46	43.54	25.60	6.23	61.84	831.97
2009	637.48	33,263	570.03	9.56	151.34	44.87	26.20	6.44	64.63	873.07
2010	637.48	33,263	572.90	9.56	156.94	46.55	27.28	6.65	65.61	885.49
2011	663.60	34,627	596.56	9.95	160.30	47.53	27.84	6.79	67.57	916.54
2012	686.20	35,806	614.52	10.29	164.64	48.79	27.84	6.79	70.02	942.89
2013	706.10	36,844	636.14	10.59	193.25	50.53	27.84	6.79	71.16	996.30
2014	724.50	37,804	648.47	10.87	199.74	52.56	27.84	6.79	72.84	1,018.81
2015	746.20	38,936	658.72	14.92	204.51	53.66	27.84	6.79	74.97	1,041.41
2016	764.90	39,912	670.69	15.30	208.54	54.58	27.84	6.79	76.14	1,059.88
2017	783.30	40,873	682.48	15.67	186.99	55.49	27.84	6.79	76.92	1,052.18
2018	809.10	42,219	698.99	16.18	186.99	55.49	27.84	6.79	78.12	1,070.40
2019	837.40	43,696	731.61	16.75	182.21	54.13	28.82	7.00	79.52	1,100.04
2020	862.50	45,005	749.55	17.25	185.56	55.11	29.38	7.13	80.78	1,124.76

Notes: Data for years to 2018 are from ACCER submission, March 2018, Table B8. Payments are calculated on the basis of the year being 52.18 weeks. The children are aged 8 to 12

Table A9
Selected minimum wage rates as ratios of median earnings in main job
August 1997 - August 2019
(\$ per week, unless otherwise indicated)

Year August	Median Earnings	NMW	NMW as % of Median earnings	C12	C12 as % of Median Earnings	C10	C10 as % of Median Earnings
1997	581.00	359.40	61.9%	398.60	68.6%	451.20	77.7%
1998	615.00	373.40	60.7%	412.60	67.1%	465.20	75.6%
1999	652.00	385.40	59.1%	424.60	65.1%	477.20	73.2%
2000	694.00	400.40	57.7%	439.60	63.3%	492.20	70.9%
2001	712.00	413.40	58.1%	452.60	63.6%	507.20	71.2%
2002	750.00	431.40	57.5%	470.60	62.7%	525.20	70.0%
2003	769.00	448.40	58.3%	487.60	63.4%	542.20	70.5%
2004	800.00	467.40	58.4%	506.60	63.3%	561.20	70.2%
2005	843.00	484.40	57.5%	523.60	62.1%	578.20	68.6%
2006	900.00	511.86	56.9%	551.00	61.2%	605.56	67.3%
2007	940.00	522.12	55.5%	561.26	59.7%	615.82	65.5%
2008	1,000.00	543.78	54.4%	582.92	58.3%	637.48	63.7%
2009	1,000.00	543.78	54.4%	582.92	58.3%	637.48	63.7%
2010	1,050.00	569.90	54.3%	609.00	58.0%	663.60	63.2%
2011	1,100.00	589.30	53.6%	629.70	57.2%	686.20	62.4%
2012	1,150.00	606.40	52.7%	648.00	56.3%	706.10	61.4%
2013	1,153.00	622.20	54.0%	664.80	57.7%	724.50	62.8%
2014	1,208.00	640.90	53.05%	684.70	56.7%	746.20	61.8%
2015	1,233.00	656.90	53.3%	701.80	56.9%	764.90	62.0%
2016	1,250.00	672.70	53.8%	718.60	57.5%	783.30	62.7%
2017	1,284.00	694.90	54.1%	742.30	57.8%	809.10	63.0%
2018	1,343.00	719.20	53.6%	768.30	57.2%	837.40	62.4%
2019	1,380.00	740.80	53.7%	791.30	57.3%	862.50	62.5%

Notes: Over the period 1997 to 2020 the annual wage review decisions and their operative dates have varied. The Table assumes that the annual wage increase in each year was in operation before the month (August) in which the survey was undertaken. In 2006, 2007 and 2008 the wage increases came into operation after August.

Median earnings for years 2009 to 2019 are from the Commission's *Statistical Report* of 6 March 2020. Median earnings for the years 1999 to 2008 are taken from the Commission's *Statistical Report* of 16 June 2011. The median earnings for 1997 are taken from *Employee Earnings, Benefits and Trade Union Membership, Australia, August 1997*, cat. no. 6310.0, page 30. The median earnings for 1998 are taken from *Employee Earnings, Benefits and Trade Union Membership, Australia, August 1998*, cat. no. 6310.0, page 30.

Table A10
Safety net rates compared to Average Weekly Earnings
November 2001-November 2019
(\$ per week, unless otherwise indicated)

Year November	Average Weekly Ordinary Time Earnings (AWOTE)	National/Federal Minimum Wage	NMW/FMW as % of AWOTE)	C12 wage rate	C12 as % of AWOTE	C10 wage rate	C10 as % of AWOTE
1997	712.10	359.40	50.5%	398.60	56.0%	451.20	63.4%
1998	739.30	373.40	50.5%	412.60	55.8%	465.20	62.9%
1999	760.20	385.40	50.7%	424.60	55.9%	477.20	62.8%
2000	798.80	400.40	50.1%	439.60	55.0%	492.20	61.6%
2001	843.10	413.40	49.0%	452.60	53.7%	507.20	60.2%
2002	882.20	431.40	48.9%	470.60	53.3%	525.20	59.5%
2003	929.60	448.40	48.2%	487.60	52.5%	542.20	58.3%
2004	964.90	467.40	48.4%	506.60	52.5%	561.20	58.2%
2005	1,014.50	484.40	47.7%	523.60	51.6%	578.20	57.0%
2006	1,045.40	511.86	49.0%	551.00	52.7%	605.56	57.9%
2007	1,100.70	522.12	47.4%	561.26	51.0%	615.82	55.9%
2008	1,158.50	543.78	46.9%	582.92	50.3%	637.48	55.0%
2009	1,225.20	543.78	44.4%	582.92	47.6%	637.48	52.0%
2010	1,274.10	569.90	44.7%	609.00	47.8%	663.60	52.1%
2011	1,333.40	589.30	44.2%	629.70	47.2%	686.20	51.5%
2012	1,392.80	606.40	43.5%	648.00	46.5%	706.10	50.7%
2013	1,437.20	622.20	43.3%	664.80	46.3%	724.50	50.4%
2014	1,474.50	640.90	43.5%	684.70	46.4%	746.20	50.6%
2015	1,499.90	656.90	43.8%	701.80	46.8%	764.90	51.0%
2016	1,532.00	672.70	43.9%	718.60	46.9%	783.30	51.1%
2017	1,567.70	694.90	44.3%	742.30	47.3%	809.10	51.6%
2018	1,606.60	719.20	44.8%	768.30	47.8%	837.40	52.1%
2019	1,658.70	740.80	44.7%	791.30	47.7%	862.50	52.0%

Notes: Until 2005, wage increases were awarded in the first half of the calendar year. In 2006 wage

increases awarded by the Australian Fair Pay Commission commenced in December 2006 and subsequent wage increases awarded by it commenced by November. Decisions from 2010 have taken effect on 1 July.

For November 1997 to November 2011 see *Average Weekly Earnings, Australia, November 2011*, cat. no. 6302.0, Table 1 Average Weekly Earnings, Australia (Dollars) – Trend A2810223V

For November 2012 to November 2019: see *Average Weekly Earnings, Australia, November 2019*, cat. no. 6302.0, Table 1 Average Weekly Earnings, Australia (Dollars) – Trend A84990044V

Table A11
Disposable incomes of safety net families and national Household Disposable Income
(Couple parent and sole parent families with two children)
January 2001–January 2020
(\$ per week, unless stated)

Year	HDI	NMW Family Disposable income	NMW DI as % of HDI	C12 Family Disposable income	C12 DI as % of HDI	C10 Family Disposable income	C10 DI as % of HDI
2001	413.61	553.80	133.9%	578.51	139.9%	615.33	148.8%
2002	455.00	573.16	126.0%	599.04	131.7%	636.62	139.9%
2003	451.58	591.41	131.0%	617.37	136.7%	655.59	145.2%
2004	477.34	609.60	127.7%	641.18	134.3%	677.84	142.0%
2005	512.56	660.49	128.9%	685.48	133.7%	722.90	141.0%
2006	530.84	688.40	129.7%	714.28	134.6%	752.36	141.7%
2007	570.89	731.95	128.2%	757.77	132.7%	794.36	139.1%
2008	619.91	760.09	122.6%	793.37	128.0%	831.97	134.2%
2009	683.90	795.93	116.4%	828.89	121.2%	873.07	127.7%
2010	680.19	808.36	118.9%	841.31	123.7%	885.49	130.2%
2011	722.35	840.44	116.4%	872.32	120.8%	916.54	126.9%
2012	753.39	864.41	114.7%	897.12	119.1%	942.89	125.2%
2013	761.43	915.54	120.2%	949.25	124.7%	996.30	130.9%
2014	795.09	938.24	118.0%	972.75	122.3%	1,018.81	128.1%
2015	810.18	961.70	118.7%	997.17	123.1%	1,041.41	128.5%
2016	815.35	980.78	120.7%	1,017.15	125.1%	1,059.88	130.4%
2017	826.57	973.71	117.8%	1,009.47	122.1%	1,052.18	127.3%
2018	842.76	992.61	117.8%	1,026.31	121.8%	1,070.40	127.0%
2019	849.11	1,013.16	119.3%	1,049.25	123.6%	1,100.04	129.6%
2020	874.28	1,035.32	118.4%	1,072.44	122.7%	1,124.76	128.6%

Notes: Household Disposable Income (HDI) figures have been calculated by the Melbourne Institute; see Table A1. The disposable incomes for families dependent on the NMW, C12 and C10 wage rates are taken from Tables A6, A7 and A8, respectively.

Note the disposable incomes for both families are the same because they receive the same amount of family payments

Table A12
Safety Net Wages and Household Disposable Income – Single worker
April 1997–January 2020
(\$ per week, unless stated)

Year	HDI	NMW gross	NMW net	NMW net as % of HDI	C10	C10 net	C10 net as % of HDI
1997	354.63	359.40	305.70	86.2%	451.2	367.96	103.8%
1998	365.10	359.40	305.70	83.7%	451.2	367.96	100.8%
1999	367.62	373.40	316.69	86.1%	465.2	376.43	102.4%
2000	392.38	385.40	326.11	83.1%	477.2	384.03	97.9%
2001	413.61	400.40	346.38	83.7%	492.2	406.53	98.3%
2002	455.00	413.40	354.76	78.0%	507.2	416.81	91.6%
2003	451.58	431.40	366.37	81.1%	525.2	429.14	95.0%
2004	477.34	448.40	377.93	79.2%	542.2	444.77	93.2%
2005	512.56	467.40	396.78	77.4%	561.2	457.78	89.3%
2006	530.84	484.40	412.84	77.8%	578.2	475.4	89.6%
2007	570.89	511.86	449.93	78.8%	605.56	510.94	89.5%
2008	619.91	522.12	467.59	75.4%	615.82	538.06	86.8%
2009	683.90	543.78	494.29	72.3%	637.48	570.03	83.3%
2010	680.19	543.78	497.17	73.1%	637.48	572.90	84.2%
2011	722.35	569.90	521.86	72.2%	663.6	596.56	82.6%
2012	753.39	589.30	537.49	71.3%	686.2	614.52	81.6%
2013	761.43	606.40	556.87	73.1%	706.1	636.14	83.5%
2014	795.09	622.20	569.44	71.6%	724.5	648.47	81.6%
2015	810.18	640.90	581.11	71.7%	746.2	658.72	81.3%
2016	815.35	656.90	573.79	70.4%	764.9	670.70	82.3%
2017	826.57	672.70	606.23	73.3%	783.3	682.48	82.6%
2018	842.76	694.90	623.78	74.0%	809.1	698.99	82.9%
2019	849.11	719.20	647.10	76.2%	837.4	731.61	86.16%
2020	874.28	740.80	662.54	75.8%	862.50	749.55	85.7%

Notes: The gross and net wages for 1997 are at April of that year following the decision of the Safety Net Review Case, April 1997. The HDIs for the period 2001 to 2020 are taken from Table A1 and are at January each year. The HDI for 1997 to 2000 are taken from *Poverty Lines Australia: September Quarter 2019*. The NMW column includes the FMW before 2010.

Table A13
Ratio of disposable income of selected households to their
60 per cent of median income poverty lines
September 2019

Adapted from Table 8.6 of the *Statistical Report* of 6 March 2020

	Household	60% median income (\$ pw)	Disposable income NMW-dependent (\$ pw)	Ratio disposable income to 60% of median poverty line NMW-dependent	Disposable income C10-dependent (\$ pw) (estimate)	Ratio disposable income to 60% of median poverty line C10-dependent
1	Single adult	559.57	663.00	1.18	749.82	1.34
2	Single parent working full time, 1 child	727.45	928.62	1.28	1,011.16	1.39
3	Single parent working part time, 1 child	727.45	621.21	0.85	683.80	0.94
4	Single parent working full time, 2 children	895.32	1036.42	1.16	1128.10	1.26
5	Single parent working part time, 2 children	895.32	729.01	0.81	787.88	0.88
6	Single-earner couple, one with Newstart,	839.36	837.03	1.00	847.76	1.01
7	Single-earner couple,	839.36	676.42	0.81	755.42	0.90
8	Single-earner couple, one with Newstart, 1 child	1,007.23	1029.92	1.03	1,047.52	1.04
9	Single-earner couple, 1 child	1,007.23	928.62	0.92	1,007.23	1.00
10	Single-earner couple, one with Newstart 2 children	1,175.11	1,140.44	0.97	1,163.36	0.99
11	Single-earner couple, 2 children	1,175.11	1,036.42	0.88	1,128.11	0.96
12	Dual-earner couple	839.36	1,033.40	1.23	1,175.10	1.40
13	Dual-earner couple, 1 child	1,007.23	1,220.26	1.21	1,319.47	1.31
14	Dual-earner couple, 2 children	1,175.11	1,328.06	1.13	1,421.88	1.21

The disposable incomes of NMW-dependent households are taken from Table 8.4 of the Statistical Report. The report does not include the disposable incomes of C10-dependent households. The estimates of the C10-dependent households in this table are the product of the Commission's poverty lines and the ratios for the C10-dependent households.

The Commission's notes to Table 8.6 are:

Note: Poverty lines are based on estimates of median equivalised household disposable income in 2013–14 for September 2014 and 2017–18 for September 2018 and September 2019, and adjusted for movements in household disposable income per head as calculated by the Melbourne Institute of Applied Economic and Social Research, and adjusted for household composition using the modified OECD equivalence scale. The C14, C10 and C4 are minimum award rates set under the Manufacturing and Associated Industries and Occupations Award 2010. AWOTE data are expressed in original terms.

Assumptions: Tax-transfer parameters as at September 2014, September 2018 and September 2019. Wage rates for 2014: C14 = \$640.90 pw, C10 = \$746.20 pw, C4 = \$896.40 and AWOTE of full-time adult employees = \$1477.00 pw. Wage rates for 2018: C14 = \$719.20 pw, C10 = \$837.40 pw, C4 = \$1005.90 pw, AWOTE of full-time adult employees = \$1605.50. Wage rates for 2019: C14 = \$740.80 pw, C10 = \$862.50 pw, C4 = \$1036.10 pw and AWOTE of full-time adult employees = \$1658.40. Other assumptions as per Table 8.4.

Source: ABS, Average Weekly Earnings, Australia, Nov 2019, Catalogue No. 6302.0; ABS, Household Income and Income Distribution, Australia, 2013–14, Catalogue No. 6623.0; ABS, Household Income and Wealth, Australia, 2017–18, Catalogue No. 6523.0; Fair Work Commission modelling; Manufacturing and Associated Industries and Occupations Award 2010; Melbourne Institute of Applied Economic and Social Research, Poverty Lines: Australia, September quarter 2019.

Appendix B

The 2016 Census and low paid working families

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Introduction

1. The purpose of this Appendix is to draw on data from the national Census of 9 August 2016 to address two matters: the work patterns of low paid working families and the number of low paid working families in or at risk of poverty and without a decent standard of living.
2. Our inquiry of the Census data is child-centred. It looks at the families in which dependent children live, the incomes of those families and the working patterns of the parents in those families, so as to better understand the needs of low paid workers with family responsibilities.
3. A focus on low paid workers and their families is consistent with the object of the FW Act to promote social inclusion (section 3) and is necessary for the Commission to carry out its obligation to establish and maintain a safety net of fair minimum wages, taking into account, among other matters, "relative living standards and the needs of the low paid" (section 284(1)).
4. The 2016 Census found that there were 2,234,389 couple parent families with dependent children and 617,431 sole parent families with dependent children; and that there were 481,862 couples with non-dependent children and 342,137 sole parent families with non-dependent children; see Tables B7 and B8. The term "dependent children" covers children younger than 15 years and dependent students aged 15 to 24 years. This Census data regarding families with dependent children can be broken down by the number of dependent children (with the largest category being six and more children), the incomes of the families and the labour force status of the couples and sole parents.
5. This chapter provides an insight into the lives of 286,563 couple parent families and 294,608 sole parent families by reference to their incomes and labour force status. It provides data on the way in which parents exercise their family responsibilities. The couple parent families identified in this chapter as low paid comprise 12.8% of the total number of couple parent families with dependent children. The sole parent families identified as low paid comprise 47.8%, of the sole parent families with dependent children.
6. The basis upon which these low income families are identified is by the use of an estimate of the 60% relative poverty line for each type of family. The 60% relative poverty line is not a precise measure of poverty, but it is, at least, a risk of poverty line and, it is a conservative measure of the standard of living needed to secure a decent standard of living in contemporary Australia.
7. The Census data does not permit the 60% of median poverty line to be fixed with precision. The categorisation that we have used is the best fit available in the Census data. It should be noted that the use of the 60% of median benchmark is not intended to capture all low paid workers with family responsibilities: the Commission has accepted that the term "low paid" in section 284(1) of the FW Act should be taken to include those workers earning up to two-thirds of median wages, with that figure, according to the then most recent data, being \$833.33 or \$917.33 per week, depending on the source being used; see the June 2017 decision at paragraphs 369-70.
8. It should also be noted that the categorisation used here does not turn on the basis upon which workers are paid: the Census data covers low paid workers without any distinction being made between whether they are award reliant (i.e. only being paid the minimum award rate and not a dollar more) or they are paid a higher wage rate that still leaves them low paid and in or at risk of poverty.
9. The published poverty reports do not estimate how many children are living in poverty in wage-dependent households where there is a person in full time work. The Census provides data that shed considerable light on this important aspect. The Census data provide

information about the labour force status, or the absence from the labour force, of the couple parents and of the sole parents in low income families.

10. The basic data from the Census is in Tables B7 to B14. The summaries in Tables B15 to B21 extract relevant data on low income families, that is families who fall, as best we can calculate them, below their 60% relative poverty lines. These tables cover couple and sole parent families, with each data set identifying the income levels of those families by reference to the number of dependent children in those families. The data in respect of families with dependent children are set out in B15 to B17, in respect of couple parent families, and Tables B18 to B20, in respect of sole parent families. These tables are compiled on the basis of the number of children in the families: one, two and three or more children. Tables B4 and B6 provide further information on the families with three or more children.
11. Respondents to the Census were required to state the incomes of all members of their households from among a number of income ranges. Included in the Census income columns were the weekly amounts of \$650.00 to \$799.00 per week, \$800.00 to \$999.00 per week and \$1,000.00 to \$1,249.00 per week. The Census question in respect of each person in the household was "What is the total of all income the person usually receives?". It stated that tax and various other payments were not to be deducted from this amount. Because the information sought pre-tax income, the disposable incomes of many low income individuals and households was substantially less than the recorded gross income in the Census. At the time of the Census the taxation payable on the NMW, then \$672.70 per week, was \$66.21 and at the C10 base trade-qualified wage rate, then \$783.30 per week, income tax was \$99.30; see the Commission's *Statistical Report*, 5 May 2017, Table 8.6. These figures should be taken into account when assessing the degree to which the cut-off points that we have used reflect the 60% of median poverty line.
12. The comparison between the Census data and the estimated poverty lines, therefore, needs to take into account the fact that the Census required income data by reference to income ranges and that the Census recorded pre-tax, not disposable, incomes.
13. The poverty lines are based on the median equivalised disposable household income reported in the ABS publication *Household Income and Wealth, Australia, 2015-16*, cat. no. 6523.0. At December 2015 the median equivalised disposable household income for a single person was \$853.00 per week, with the 60% relative poverty line being \$511.80 (see Table A11 in Appendix A). Using the Commission's adjustment method, based on changes in Household Disposable Income published in the *Poverty Lines: Australia* newsletter, this figure should be increased by 1.3%; see *Poverty Lines Australia June*
14. *Quarter 2017*, Table 2. The estimated figure for June 2016 is \$518.45. For present purposes, the figure for August 2016 can be rounded to \$520.00 per week. Applying the equivalence scales used by the ABS, the 60% of median relative poverty line can be calculated for various kinds of households.
15. Table B1 sets out the estimated 60% of median poverty lines at the time of the Census, rounded to the nearest \$10.00, for the six family groups covered in the following calculations. Also included in the table is the highest income column in the Census returns that has been used in each calculation.

Table B1
Census Income Levels and Estimated Poverty Lines August 2016
(\$ per week)

Family	60% Relative Poverty Line	Maximum income range in Census
Couple and one child	936.00	800.00 - 999.00
Couple and two children	1,092.00	1,000.00 - 1,249.00
Couple and three or more children	1,248.00	1,000.00 - 1,249.00
Sole parent and one child	676.00	650.00 - 799.00
Sole parent and two children	832.00	800.00 - 999.00
Sole parent and three or more children	988.00	800.00 - 999.00

The poverty lines for the families with three or more children are calculated on the basis of three children only.

The work profiles of low income families

16. The Census records the labour force status of couples with dependent children. Tables B9 to B11 identify low income couple families by reference to income, labour force status and the number of dependent children. (Table B9 covers couples with one child, Table B10 covers couples with two children and Table B11 covers couples with three or more children.) These and similar tables regarding sole parent families exclude the Census returns where there was a nil or negative income recorded (0.5% in couple families and 2.0% in sole parent families) and where no or only partial income was stated (13.0% in couple families and 11.2% in sole parent families).

17. Table B2 collates the data in respect of the labour force status of parents in low income couple parent families by reference to the number of dependent children.

Table B2 Census 2016
Working patterns of low income couple parent families

	One child		Two children		Three or more children		All low income families	
	N	%	N	%	N	%	N	%
1. One full time and other not in labour force	17,793	22.4	35,256	27.5	20,470	26.0	7,3519	25.7
2. One part time and other not in labour force	13,831	17.4	17,767	13.8	11,732	14.9	43,330	15.1
3. One away from work and other not in labour	1,806	2.3	2,763	2.2	2,032	2.6	6,601	2.3
4. One unemployed and other not in labour	5,345	6.7	5,793	4.5	5,462	6.9	16,600	5.8
5. Both not in labour force	15,807	19.9	15,137	11.8	14,742	18.7	45,686	15.9
6. Both full time	2,205	2.8	5,166	4.0	2,544	3.2	9,915	3.5
7. One full time and other part time	5,426	6.8	19,392	15.1	9,110	11.6	33,928	11.8
8. Both part time	5,105	6.4	9,116	7.1	3,894	5.0	18,115	6.3
9. Both (employed and) away from work	340	0.4	683	0.5	349	0.4	1,372	0.5
10. One away from work and other unemployed	442	0.6	508	0.4	277	0.4	1,227	0.4
11. One part time and other away from work	708	0.9	1342	1.1	679	0.9	2,729	1.0
12. One full time and other away from work	609	0.8	1501	1.2	711	0.9	2,821	1.0
13. One full time and other unemployed	3,698	4.7	6455	5.0	2427	3.1	12,580	4.4
14. One part time and other unemployed	3,869	4.9	4678	3.6	2343	3.0	10,890	3.8
15. Both unemployed	1,988	2.5	2186	1.7	1436	1.8	5,610	2.0
16. Status of one or both not stated	531	0.7	607	0.5	502	0.6	1,640	0.6
Totals	79,503	100.0	12,8350	100.0	7,8710	100.0	28,6563	100.0

Table B3 presents the data on labour force participation, or non-participation in the labour force, in a different format. We use the term "labour force" by convention, but it has to be remembered that a lot of the economic and social wealth of the nation is produced in households.

Table B3 Census 2016
Employment status of adults in low income couple parent families

	Households	Full time	Part time	NILF	AFW	UN	Not stated
1. One full time and other not in labour force	73,519	73,519		73,519			
2. One part time and other not in labour force	43,330		43,330	43,330			
3. One away from work and other not in labour force	6,601			6,601	6,601		
4. One unemployed and other not in labour force	16,600			16,600	16,600		
5. Both not in labour force	45,686			91,372			
6. Both full time	9,915	19,830					
7. One full time and other part time	33,928	33,928	33,928				
8. Both part time	18115	36230					
9. Both (employed and) away from work	1,372				2,744		
10. One away from work and other unemployed	1,227				1,227	1,227	
11. One part time and other away from work	2,729		2,729		2,729		
12. One full time and other away from work	2,821	2,821			2,821		
13. One full time and other unemployed	12,580	12,580				12,580	
14. One part time and other unemployed	10,890		10,890			10,890	
15. Both unemployed	5,610					11,220	
16. Status of one or both not stated	1,640						3,280
Totals	286,563	178,908	90,877	231,422	32,722	35,917	3,280

NILF: not in labour force; AFW: away from work; UN: unemployed

18. Tables B2 and B3 show that the great majority of these low income couple parent families were engaged in some kind of employment. In the following figures we record the average across all three categories, with the figure for the families with two children recorded in brackets. Only in 15.9% (11.8%) of these households were both parents out of the labour force. As for the rest of the households:

- 25.7% (27.5%) had one parent employed full time and the other parent not in the labour force;
 - 15.1% (13.8%) had one parent employed part time and the other parent not in the labour force;
 - 8.1% (6.7%) had one parent unemployed or temporarily away from work and the other parent not in the labour force;
 - 3.5% (4.0%) had both parents employed full time;
 - 11.8% (15.1%) had one parent employed full time and the other employed part time;
 - 6.3% ((7.1%) had both parents employed part time; and
 - 8.2% (8.6%) had one parent employed full time or part time with the second parent unemployed.
19. The figures demonstrate that the single-earner family with a full time working parent and a "stay at home" parent is more common than other arrangements. It is the predominant group by a large margin among low income families. Single-earner families (where the parent is working full time or part time) are substantially more common than dual-earner family: 42.8% (and 41.3% in families with two children) compared to 21.6% (26.2% in families with two children); see Table B2, rows 1 and 2 rows 6 to 8). Of these two categories, 66.5% are single-earner families. A comparison between families where only one works full time and the other parent is out of the labour force (ie comparing rows 1 and 7) is mentioned in the previous paragraph: 25.7% (and 27.5% in two child families) have the second parent out of the labour force and 11.8% (and 15.1% in two child families) have the second parent in part time employment. If we exclude those families where both parents are out of the labour force, these figures are relatively higher.
20. The figures demonstrate single-earner families are by far the major category in the labour force profile of low income couple parent families, despite the inevitable economic pressure on the parents for both of them to be in employment. However, even with the extra income from the second parent working many families still find themselves living in or at the risk of poverty.

Children in or at risk of poverty: couple parent families

21. Table B4 is based on the data in Table B3, with some further details being supplied in respect of the couple parent families with three or more children from Table B7.
22. All of the families covered by Table B4 are low income families, who are described as being "in or at risk of poverty".

Table B4 Census 2016
Total number of children and adults in low income couple parent families in or near poverty

	No. of families	Number of children	Total in or at risk of poverty
Couple and one child	79,503	79,503	238,509
Couple and two children	128,350	256,700	513,400
Couple and three children	53,530	160,590	267,650
Couple and four children	18,237	72,948	109,422
Couple and five children	4,614	23,070	32,298
Couple and six or more children	2,527	15,162	20,216
Total	286,761	557,973	1,181,495

The numbers of families with three or more children are from Table A1 in Appendix A. The number of children in the couple plus six or more children, is calculated on the basis that there are only six children in the family. From Table A1 we find that at the time of the 2016 Census there were 4,271,077 dependent children in couple parent families, assuming again that the maximum number is six per family.

23. Taking into account the inclusion of income tax in the Census figures we can reasonably conclude that the 79,503 couple parent families with one child are living below the 60% poverty line. In regard to couple parent families with two children, the best fit from the census data has gross income at \$157.00 per week above that poverty line. Taking into account income tax, which would be considerable for a family with that income, it is likely that a small proportion of the 128,350 families are not under the 60% of median poverty line.
24. The Census has identified 78,710 couple parent families with three or more children. Couple parents with three or more children is a diverse cohort. The poverty line for the couple parent family with three children is \$1,248.00 per week (see Table B1), with an extra \$156.00 per week for each extra child. The maximum weekly Census figure that we have used is \$1,249.00 per week. After taking income taxation into account, we can conclude that all of these families would be below the 60% relative poverty line, with the poverty gap increasing with each additional child.
25. Having regard to these matters, it is reasonable to conclude that any overestimate of poverty among couple parent families with two children is more than offset by the underestimate of families living below the poverty line with three or more children.
26. Table B4 identifies 1,181,495 people, including 557,973 dependent children, in couple parent families living in or at risk of poverty. After taking into account the families in which both parents are not in the labour force, we can identify just under a million people (993,637) who live in working families that are in or at risk of poverty. The working parents in these families are a large part of Australia's working poor. By contemporary standards, these workers and their families are deprived of a decent standard of living.
27. This material demonstrates that, for many low paid workers and their families, full time employment; and even full time employment supplemented by part time employment, is not a pathway out of poverty and into a decent standard of living.

Sole parent families: work patterns and poverty

28. Table B5 presents data from the 2016 Census regarding the employment status of parents in sole parent low income families. The figures are drawn from Tables B12, B13 and B14. The basis of the selection of the numbers of low paid sole parent families is set out in Table B2.
29. It can be seen from Table B5 that, after taking into account income tax, the cut-off points available from the Census may capture a significant number of sole parent families with one child or two children who have a disposable income in excess of the 60% of median poverty line. In regard to sole parents with three or more children the contrary appears: a significant number of those under the 60% of median line may not be counted with the cut-off point used. With these qualifications, Table B5 shows a general estimation of the number of dependent children and adults in low income sole parent families in or at risk of poverty by reference to family size. As we note later, there is some reason to doubt that the figures overestimate the number living in or at the risk of poverty.

Table B5
Working patterns of low income sole parent families

	One child		Two children		Three or more children		All families	
	N	%	N	%	N	%	N	%
1. Employed, full time	12,438	9.6	13,326	12.3	4,011	7.1	29,775	10.1
2. Employed, part time	40,180	30.9	37,045	34.3	13,422	23.7	90,647	30.8
3. Employed, away from work	3,341	2.6	2,640	2.4	1,124	2.0	7,105	2.4
4. Unemployed	15,926	12.3	10,912	10.1	5,690	10.0	32,528	11.0
5. Not in labour force	57,538	44.3	43,805	40.5	32,265	56.9	133,608	45.4
6. Labour force status not stated	457	0.4	321	0.3	167	0.3	945	0.3
Totals	129,880	100.0	108,049	100.0	56,679	100.0	294,608	100.0

30. In the following figures we record the average across all three categories of sole parent families, with the figure for sole parents with two children recorded in brackets. Table B5 shows that in low income sole parent families:
- 10.1% (12.3%) of the parents were employed full time;
 - 30.8% (34.3%) were employed part time;
 - 2.4% (2.4%) were employed, but away from work;
 - 45.4% (40.5%) were not in the labour market; and
 - 11.0% (10.1%) were unemployed.
31. Although the major cause of poverty in sole parent families was the lack of employment, reflected in the number not in the labour force and the number unemployed, 40.9% of sole parent families with dependent children, and 46.6% of sole parent families with two dependent children, were in employment. These parents are another large component of Australia's working poor.
32. The number of sole parent households in Table B5, 294,608, comprise 47.8% of all sole parent households recorded in Table B8, save for those where the family income is not sufficiently recorded or where there is a nil or negative income recorded. Table B8 also includes the number of sole parent families with various numbers of children, up to families with six or more children. The total number of dependent children in sole parent families (counting all those with six or more children as families with six children) totalled 1,053,993 across all income groups.
33. Table B6 records the number of children living in or at risk of poverty.

Table B6
Total number of children and adults in low income sole parent families
in or near poverty

	Number of families	Number of children	Total in or at risk of poverty
Parent and one child	129,880	129,880	259,760
Parent and two children	108,049	216,098	324,147
Parent and three children	40,029	120,087	160,116
Parent and four children	12,333	49,332	61,665
Parent and five children	3,330	16,650	19,980
Parent and six or more children	978	5,868	6,846
Total	294,599	537,915	832,514

The number of children in the couple plus six or more children, is calculated on the basis that there are only six children in the family. The numbers of families with three or more children are from Table A2 in Appendix A. The number of children in the couple plus six or more children, is calculated on the basis that there are only six children in the family. The numbers of families with three or more children are from Table A2 in Appendix A

34. Table B6 covers 51.0% of children in sole parent families: the bottom half of the income distribution of these families Table B6 shows that there were 537,915 children and 294,559 sole parents living in homes in or at risk of poverty.
35. These figures are very troubling. While they raise important issues beyond the scope of the Commission's responsibilities, they provide important information about the workers and their families which should be of very great concern to the Commission when it sets safety net wage rates for low paid work classifications.
36. For these low paid sole parent families who rely on full time or part time work, the minimum wage decisions of the Commission are vitally important; and increasingly more important because of the cuts to, and freezing of, various family payments. The Commission should, we submit, accept that their poverty will not be alleviated unless it decides to substantially increase the wage rates for low paid workers.

Table B7
Count of Dependent Children in Couple Parent Families by
Total Family Income (weekly), 2016

	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$1,750-\$1,999 (\$91,000-\$103,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
Couple family with: No dependent children	1,824	592	1,327	940	1,730	3,383	7,803	12,984	25,976	27,646	27,919	27,505	243,494	98,739	481,862
Couple family with: One dependent child	4,521	1,962	3,338	2,272	8,479	11,634	20,571	31,220	49,008	57,197	55,237	56,656	404,189	97,479	803,763
Couple family with: Two dependent children	4,277	1,790	2,788	1,737	7,501	10,434	18,523	32,056	53,545	66,507	67,927	72,043	530,399	100,983	970,510
Couple family with: Three dependent children	1,659	662	1,124	700	3,546	4,629	7,744	13,164	21,781	25,847	25,551	26,292	175,875	39,710	348,284
Couple family with: Four dependent children	635	263	461	239	1,465	1,888	2,772	4,625	6,524	7,674	6,974	6,965	34,030	11,530	86,045
Couple family with: Five dependent children	169	62	96	89	395	526	716	1,160	1,570	1,752	1,469	1,341	5,465	2,650	17,460
Couple family with: Six or more dependent children	132	42	93	46	231	294	431	631	759	847	717	635	2,157	1,312	8,327
Total	13,217	5,373	9,227	6,023	23,347	32,788	58,560	95,840	159,163	187,470	185,794	191,437	1,395,609	352,403	2,716,251

Table B8
Count of Dependent Children in Sole Parent Families by
Total Family Income (weekly), 2016

	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$1,750-\$1,999 (\$91,000-\$103,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
One parent family with: No dependent children	2,927	1,695	4,049	2,173	9,609	11,697	27,727	36,947	41,841	34,984	25,802	21,844	70,582	50,260	342,137
One parent family with: One dependent child	8,836	4,072	13,553	17,258	26,105	38,894	29,972	31,177	32,521	23,029	18,006	13,212	32,021	27,530	316,186
One parent family with: Two dependent children	5,209	2,115	7,027	10,292	14,425	28,953	24,043	21,199	21,028	14,441	10,987	7,888	17,896	18,493	203,996
One parent family with: Three dependent children	1,685	699	2,122	3,580	4,547	9,878	11,391	7,812	6,665	4,182	2,958	1,991	4,456	7,218	69,184
One parent family with: Four dependent children	525	193	599	967	1,340	2,635	3,594	3,005	1,930	1,037	684	368	935	2,420	20,232
One parent family with: Five dependent children	170	54	169	284	339	671	886	927	580	255	180	116	210	822	5,663
One parent family with: Six or more dependent children	72	21	75	73	101	177	246	285	320	137	103	61	117	382	2,170
Total	19,424	8,849	27,594	34,627	56,466	92,905	97,859	101,352	104,885	78,065	58,720	45,480	126,217	107,125	959,568

Table B9
Labour Force Status of Parents in Couple Parent Families by Total Family Income (weekly), One Dependent Child in Family, 2016

	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
Couple family: Both employed, worked full-time	305	122	95	39	190	216	585	958	2,443	5,878	7,201	11,165	146,152	13,934
Couple family: One employed full-time, other part-time	155	98	126	51	243	503	1,175	3,230	10,121	17,960	19,693	20,603	133,245	13,500
Couple family: One employed full-time, other away from work	29	7	8	4	13	61	139	377	898	1,829	1,993	2,435	28,219	1,720
Couple family: One employed full-time, other unemployed	42	27	36	43	110	417	962	2,103	3,148	2,850	2,780	2,346	8,914	1,148
Couple family: One employed full-time, other not in the labour force	221	128	213	225	590	1,885	4,493	10,259	16,249	14,762	13,442	11,654	49,744	6,430
Couple family: One employed full-time, other labour force status not stated	3	0	4	3	7	9	29	50	54	57	62	55	277	19,554
Couple family: Both employed, worked part-	58	62	118	35	331	609	1,511	2,439	4,135	4,336	2,976	2,676	11,515	2,150

	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
time														
Couple family: One employed part-time, other away from work	19	11	17	7	35	106	172	360	661	839	782	714	4,829	818
Couple family: One employed part-time, other unemployed	37	61	191	201	492	797	900	1,227	1,115	818	585	407	1,609	476
Couple family: One employed part-time, other not in the labour force	153	218	600	610	1,418	2,630	3,744	4,611	4,296	3,098	2,205	1,669	5,826	2,176
Couple family: One employed part-time, other labour force status not stated	3	3	0	3	14	14	28	27	30	16	20	12	77	12,988
Couple family: Both employed, away from work	50	22	10	5	35	39	81	148	303	497	450	555	4,744	1,345
Couple family: One away from work, other unemployed	10	9	19	20	54	73	118	149	171	174	115	122	496	154
Couple family: One away from work, other not in the labour force	81	42	77	54	168	304	460	701	922	745	644	548	2,428	1,127
Couple family: One	13	9	3	0	0	10	17	23	32	23	32	35	87	2,731

	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
away from work, other labour force status not stated														
Couple family: Both unemployed	452	161	224	72	550	341	359	281	238	163	127	92	357	233
Couple family: One unemployed, other not in the labour force	728	263	514	269	1,171	1,070	1,120	938	770	517	306	244	1,056	502
Couple family: One unemployed, other labour force status not stated	0	4	0	0	7	9	6	3	4	6	0	4	12	1,804
Couple family: Both not in the labour force	2,138	709	1,065	615	3,012	2,520	4,620	3,266	3,345	2,546	1,795	1,285	4,421	3,407
Couple family: One not in the labour force, other labour force status not stated	14	8	13	12	20	26	35	39	35	22	22	8	35	9,560
Couple family: Both labour force status not stated	13	0	5	3	13	10	34	31	34	40	29	23	120	1,728
Total	4,524	1,964	3,338	2,271	8,473	11,649	20,588	31,220	49,004	57,176	55,259	56,652	404,163	97,485

Table B10
Labour Force Status of Parents in Couple Parent Families by Total Family Income (weekly),
Two Dependent Children in Family, 2016

	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$1,750-\$1,999 (\$91,000-\$103,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
Couple family: Both employed, worked full-time	376	133	86	31	212	241	628	1,128	2,707	6,090	7,497	11,612	173,506	12,616	216,863
Couple family: One employed full-time, other part-time	292	138	220	42	340	692	1,507	4,126	12,327	23,246	27,357	30,704	219,446	14,369	334,806
Couple family: One employed full-time, other away from work	32	9	17	8	28	61	130	337	911	1,715	1,995	2,410	23,216	1,598	32,467
Couple family: One employed full-time, other unemployed	45	21	48	34	92	315	757	1,834	3,354	3,208	3,126	2,939	11,541	1,142	28,456
Couple family: One employed full-time, other not in the labour force	300	155	234	191	570	1,739	4,158	10,139	18,070	18,536	17,831	15,682	64,405	6,463	158,473
Couple family: One employed full-time, other labour force status not stated	3	0	0	0	4	3	25	51	56	82	68	72	327	19,272	19,963
Couple family: Both employed, worked part-time	56	67	116	37	301	570	1,357	2,364	4,304	4,675	3,455	3,188	14,009	1,808	36,307
Couple family: One employed part-time, other away from work	20	16	17	4	50	80	174	316	685	847	851	839	5,462	817	10,178
Couple family: One employed part-time, other unemployed	41	69	167	157	358	730	837	1,220	1,140	792	599	430	2,043	436	9,019
Couple family: One employed part-time, other not in the labour force	152	206	503	514	1,238	2,346	3,370	4,745	4,845	3,161	2,121	1,584	5,252	1,662	31,699
Couple family: One employed part-time, other labour force status not stated	0	0	7	5	7	7	15	20	23	33	19	14	81	17,875	18,106

	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$1,750-\$1,999 (\$91,000-\$103,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
Couple family: Both employed, away from work	64	17	13	6	31	38	100	145	333	500	520	538	4,032	1,403	7,740
Couple family: One away from work, other unemployed	7	14	18	8	33	69	76	135	155	151	124	90	454	153	1,487
Couple family: One away from work, other not in the labour force	90	44	69	46	157	293	404	768	982	927	754	699	2,564	1,034	8,831
Couple family: One away from work, other labour force status not stated	11	0	3	0	0	5	12	15	31	28	19	20	98	2,551	2,793
Couple family: Both unemployed	398	139	177	90	473	321	352	390	244	179	104	110	350	185	3,512
Couple family: One unemployed, other not in the labour force	635	238	363	187	1,039	901	1,172	1,180	713	507	360	283	938	478	8,994
Couple family: One unemployed, other labour force status not stated	0	5	0	0	4	3	0	5	10	0	7	3	8	2,068	2,113
Couple family: Both not in the labour force	1,722	512	707	367	2,536	1,975	3,396	3,075	2,569	1,752	1,080	791	2,519	2,136	25,137
Couple family: One not in the labour force, other labour force status not stated	18	16	14	5	12	22	31	32	40	34	20	17	37	11,396	11,694
Couple family: Both labour force status not stated	12	0	3	3	15	18	21	22	37	42	23	30	115	1,518	1,859
Total	4,274	1,799	2,782	1,735	7,500	10,429	18,522	32,047	53,536	66,505	67,930	72,055	530,403	100,980	970,497

Table B11
Labour Force Status of Parents in Couple Parent Families by Total Family Income (weekly),
Three or more Dependent Children in Family, 2016

5	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$1,750-\$1,999 (\$91,000-\$103,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
Couple family: Both employed, worked full-time	173	46	53	20	122	122	335	581	1,265	2,334	2,636	4,152	56,365	6,307	74,511
Couple family: One employed full-time, other part-time	121	79	104	41	178	371	822	2,017	5,498	9,745	11,414	13,103	92,169	8,367	144,029
Couple family: One employed full-time, other away from work	13	6	14	3	13	29	60	157	429	763	877	1,070	8,202	854	12,490
Couple family: One employed full-time, other unemployed	19	16	18	23	54	138	314	646	1,218	1,484	1,319	1,277	4,578	681	11,785
Couple family: One employed full-time, other not in the labour force	198	90	131	121	391	1,150	2,524	5,386	10,677	12,762	12,289	10,760	38,986	5,294	100,759
Couple family: One employed full-time, other labour force status not stated	0	0	0	0	4	5	13	26	43	45	41	42	167	6,410	6,796
Couple family: Both employed, worked part-time	22	24	49	9	146	261	553	1,049	1,803	1,985	1,506	1,304	5,534	1,185	15,430
Couple family: One employed part-time, other away from work	10	10	9	5	34	43	102	155	321	410	374	400	2,154	460	4,487
Couple family: One employed part-time, other unemployed	16	32	81	61	193	326	431	598	621	447	302	206	759	336	4,409
Couple family: One employed part-time, other not in the labour force	108	102	320	285	768	1,520	2,040	2,975	3,722	2,626	1,601	1,078	2,800	1,557	21,502
Couple family: One	0	0	3	5	4	18	21	18	18	16	20	14	27	7,632	7,796

5	Negative and Nil income	\$1-\$149 (\$1-7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$1,750-\$1,999 (\$91,000-\$103,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
employed part-time, other labour force status not stated															
Couple family: Both employed, away from work	23	7	7	9	8	26	50	84	158	234	225	218	1,403	735	3,187
Couple family: One away from work, other unemployed	6	9	10	6	18	27	53	68	86	81	81	63	186	126	820
Couple family: One away from work, other not in the labour force	75	29	62	45	108	192	294	575	727	715	600	471	1,560	1,073	6,526
Couple family: One away from work, other labour force status not stated	0	3	0	0	0	7	12	0	9	13	12	8	44	1,124	1,232
Couple family: Both unemployed	182	66	76	32	278	221	248	315	200	122	66	70	135	216	2,227
Couple family: One unemployed, other not in the labour force	421	138	279	141	921	759	917	1,418	889	542	307	235	602	596	8,165
Couple family: One unemployed, other labour force status not stated	0	0	3	0	0	4	0	8	3	0	6	0	4	967	995
Couple family: Both not in the labour force	1,184	357	547	267	2,362	2,084	2,815	3,446	2,864	1,746	1,003	741	1,757	2,484	23,657
Couple family: One not in the labour force, other labour force status not stated	17	8	5	4	24	17	26	30	53	24	16	12	37	7,686	7,959
Couple family: Both labour force status not stated	12	0	7	3	8	16	14	23	37	30	16	10	56	1,113	1,345
Total	2,600	1,022	1,778	1,080	5,634	7,336	11,644	19,575	30,641	36,124	34,711	35,234	217,525	55,203	460,107

Table B12
Labour Force Status of Parents in Sole Parent Families by Total Family Income (weekly),
One Dependent Child in Family, 2016

	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$1,750-\$1,999 (\$91,000-\$103,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
One parent family: Employed, worked full-time	251	174	365	490	944	3,137	7,328	12,565	16,515	13,420	11,871	9,201	23,204	9,627	109,092
One parent family: Employed, worked part-time	253	751	2,397	3,703	6,523	14,034	12,772	11,114	8,868	5,409	3,607	2,215	4,415	5,744	81,805
One parent family: Employed, away from work	103	115	275	355	594	1,038	964	958	980	710	563	427	1,050	1,364	9,496
One parent family: Unemployed	1,402	738	2,943	2,902	3,915	3,919	1,509	1,190	1,029	622	376	253	611	1,485	22,894
One parent family: Not in the labour force	6,783	2,261	7,495	9,743	14,043	16,676	7,320	5,286	5,076	2,847	1,567	1,094	2,698	7,332	90,221
One parent family: Labour force status not stated	47	31	85	72	90	94	85	60	60	34	21	27	48	1,982	2,736
Total	8,839	4,070	13,560	17,265	26,109	38,898	29,978	31,173	32,528	23,042	18,005	13,217	32,026	27,534	316,244

Source of data: Australian Bureau of Statistics - Census of Population and Housing 2016 (TableBuilder LFSF by CDCF by FINF)

Table B13
Labour Force Status of Parents in Sole Parent Families by Total Family Income (weekly),
Two Dependent Children in Family, 2016

	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$1,750-\$1,999 (\$91,000-\$103,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and all incomes not stated	Total
One parent family: Employed, worked full-time	136	91	160	310	545	1,720	3,821	6,679	9,452	7,887	7,012	5,553	13,046	6,427	62,839
One parent family: Employed, worked part-time	170	436	1,545	2,425	4,067	9,455	9,859	9,258	7,323	4,005	2,501	1,413	2,536	4,426	59,419
One parent family: Employed, away from work	79	64	133	184	307	739	645	568	521	366	280	200	503	798	5,387
One parent family: Unemployed	896	327	1,303	1,488	1,939	3,438	1,606	811	629	382	201	117	338	1,081	14,556
One parent family: Not in the labour force	3,902	1,190	3,850	5,844	7,507	13,523	8,040	3,851	3,066	1,784	984	596	1,456	4,701	60,294
One parent family: Labour force status not stated	30	8	33	47	60	66	72	35	40	17	12	8	16	1,070	1,514
Total	5,213	2,116	7,024	10,298	14,425	28,941	24,043	21,202	21,031	14,441	10,990	7,887	17,895	18,503	204,009

Source of data: Australian Bureau of Statistics - Census of Population and Housing 2016 (TableBuilder LFSF by CDCF by FINF)

Table B14
Labour Force Status of Parents in Sole Parent Families by Total Family Income (weekly),
Three Dependent Children in Family, 2016

	Negative and Nil income	\$1-\$149 (\$1-\$7,799)	\$150-\$299 (\$7,800-\$15,599)	\$300-\$399 (\$15,600-\$20,799)	\$400-\$499 (\$20,800-\$25,999)	\$500-\$649 (\$26,000-\$33,799)	\$650-\$799 (\$33,800-\$41,599)	\$800-\$999 (\$41,600-\$51,999)	\$1,000-\$1,249 (\$52,000-\$64,999)	\$1,250-\$1,499 (\$65,000-\$77,999)	\$1,500-\$1,749 (\$78,000-\$90,999)	\$1,750-\$1,999 (\$91,000-\$103,999)	\$2,000 or more (\$104,000 or more)	Partial income stated and All incomes not stated	Total
One parent family: Employed, worked full-time	61	24	66	97	165	535	1,215	1,909	2,650	2,163	1,926	1,425	3,459	2,258	17,953
One parent family: Employed, worked part-time	63	166	588	774	1,365	3,123	3,730	3,676	3,247	1,702	977	511	928	2,231	23,081
One parent family: Employed, away from work	32	26	55	83	117	280	296	267	233	148	107	75	134	386	2,239
One parent family: Unemployed	304	148	421	574	669	1,543	1,526	809	433	259	112	78	159	805	7,840
One parent family: Not in the labour force	1,982	587	1,821	3,368	3,982	7,843	9,316	5,348	2,925	1,328	797	437	1,012	4,352	45,098
One parent family: Labour force status not stated	11	15	12	11	29	40	41	19	20	9	6	11	20	804	1,048
Total	2,453	966	2,963	4,907	6,327	13,364	16,124	12,028	9,508	5,609	3,925	2,537	5,712	10,836	97,259

Source of data: Australian Bureau of Statistics - Census of Population and Housing 2016 (TableBuilder LFSF by CDCF by FINF)

Note: the following tables do not include the numbers of families recording nil or negative income, nor do they include Partial income stated and all incomes not stated.

**Table B15
Working patterns of couple parent families with one child August 2016**

	Total income less than \$1,000 per week		Total income \$1,000 per week or more		Total families	
	N	%	N	%	N	%
1. One full time and other not in labour force	17,793	22.4	105,851	17.0	123,644	17.6
2. One part time and other not in labour force	13,831	17.4	17,094	2.7	30,925	4.4
3. One away from work and other not in labour force	1,806	2.3	5,287	0.8	7,093	1.0
4. One unemployed and other not in labour force	5,345	6.7	2,893	0.5	8,238	1.2
5. Both not in labour force	15,807	19.9	13,392	2.2	29,199	4.2
6. Both full time	2,205	2.8	172,839	27.8	17,5044	24.9
7. One full time and other part time	5,426	6.8	201,622	32.4	20,7048	29.5
8. Both part time	5,105	6.4	25,638	4.1	3,0743	4.4
9. Both (employed and) away from work	340	0.4	6,549	1.1	6,889	1.0
10. One away from work and other unemployed	442	0.6	1,078	0.2	1,520	0.2
11. One part time and other away from work	708	0.9	7,825	1.3	8,533	1.2
12. One full time and other away from work	609	0.8	35,374	5.7	35,983	5.1
13. One full time and other unemployed	3,698	4.7	20,038	3.2	23,736	3.4
14. One part time and other unemployed	3,869	4.9	4,534	0.7	8,403	1.2
15. Both unemployed	1,988	2.5	977	0.2	2,965	0.4
16. Status of one or both not stated	531	0.7	1263	0.2	1,794	0.3
Totals	79,503	100.0	622,254	100.0	701,757	100.0

Table B16
Working patterns of couple parent families with two children August 2016

	Total income less than \$1,250 per week		Total income \$1,250 per week or more		Total families	
	N	%	N	%	N	%
1. One full time and other not in labour force	35,256	27.5	116,454	15.8	151,710	17.5
2. One part time and other not in labour force	17,767	13.8	12,118	1.6	29,885	3.5
3. One away from work and other not in labour force	2,763	2.2	4,944	0.7	7,707	0.9
4. One unemployed and other not in labour force	5,793	4.5	2,088	0.3	7,881	0.9
5. Both not in labour force	15,137	11.8	6,142	0.8	21,279	2.5
6. Both full time	5,166	4.0	198,705	27.0	203,871	23.6
7. One full time and other part time	19,392	15.1	300,753	40.8	320,145	37.0
8. Both part time	9,116	7.1	25,327	3.4	34,443	4.0
9. Both (employed and) away from work	683	0.5	5,590	0.8	6,273	0.7
10. One away from work and other unemployed	508	0.4	819	0.1	1,327	0.2
11. One part time and other away from work	1,342	1.0	7,999	1.1	9,341	1.1
12. One full time and other away from work	1,501	1.2	29,336	4.0	30,837	3.6
13. One full time and other unemployed	6,455	5.0	20,814	2.8	27,269	3.2
14. One part time and other unemployed	4,678	3.6	3,864	0.5	8,542	1.0
15. Both unemployed	2,186	1.7	743	0.1	2,929	0.3
16. Status of one or both not stated	607	0.5	1,197	0.2	1,804	0.2
Totals	128,350	100.0	736,893	100.0	865,243	100.0

Table B17
Working patterns of couple parent families with three
or more children August 2016

	Total income less than \$1,250 per week		Total income \$1,250 per week or more		Total families	
	N	%	N	%	N	%
1. One full time and other not in labour force	20,470	26.0	74,797	23.1	95,267	23.7
2. One part time and other not in labour force	11,732	14.9	8,105	2.5	19,837	4.9
3. One away from work and other not in labour force	2,032	2.6	3,346	1.0	5,378	1.3
4. One unemployed and other not in labour force	5,462	6.9	1,686	0.5	7,148	1.8
5. Both not in labour force	14,742	18.7	5,247	1.6	19,989	5.0
6. Both full time	2,544	3.2	65,487	20.2	68,031	16.9
7. One full time and other part time	9,110	11.6	126,431	39.1	135,541	33.7
8. Both part time	3,894	4.9	10,329	3.2	14,223	3.5
9. Both (employed and) away from work	349	0.4	2,080	0.6	2,429	0.6
10. One away from work and other unemployed	277	0.4	411	0.1	688	0.2
11. One part time and other away from work	679	0.9	3,338	1.0	4,017	1.0
12. One full time and other away from work	711	0.9	10,912	3.4	11,623	2.9
13. One full time and other unemployed	2,427	3.1	8,658	2.7	11,085	2.8
14. One part time and other unemployed	2,343	3.0	1,714	0.5	4,057	1.0
15. Both unemployed	1,436	1.8	393	0.1	1,829	0.5
16. Status of one or both not stated	502	0.6	660	0.2	1,162	0.3
Totals	78,710	100.0	323,594	100.0	402,304	100.0

Table B18
Working patterns of sole parent families with one child August 2016

	Total income less than \$800 per week		Total income \$800 per week or more		Total families	
	N	%	N	%	N	%
1. Employed, full time	12,438	9.6	86,776	57.9	99,214	35.4
2. Employed, part time	40,180	30.9	35,628	23.8	75,808	27.1
3. Employed, away from work	3,341	2.6	4,688	3.1	8,029	2.9
4. Unemployed	15,926	12.3	4,081	2.7	20,007	7.1
5. Not in labour force	57,538	44.3	18,568	12.4	76,106	27.2
6. Labour force status not stated	457	0.4	250	0.2	707	0.3
Totals	129,880	100.0	149,991	100.0	279,871	100.0

Table B19
Working patterns of sole parent families with two children August 2016

	Total income less than \$1,000 per week		Total income \$1,000 per week or more		Total families	
	N	%	N	%	N	%
1. Employed, full time	13326	12.3	42950	59.5	56276	31.2
2. Employed, part time	37045	34.3	17778	24.6	54823	30.4
3. Employed, away from work	2640	2.4	1870	2.6	4510	2.5
4. Unemployed	10912	10.1	1667	2.3	12579	7.0
5. Not in labour force	43805	40.5	7886	10.9	51691	28.7
6. Labour force status not stated	321	0.3	93	0.1	414	0.2
Totals	108,049	100.0	72,244	100.0	180,293	100.0

Table B20
Working patterns of sole parent families with three or more children August 2016

	Total income less than \$1,000 per week		Total income \$1,000 per week or more		Total families	
	N	%	N	%	N	%
1. Employed, full time	4,011	7.1	11,623	42.6	15,634	18.6
2. Employed, part time	13,422	23.7	7,365	27.0	20,787	24.8
3. Employed, away from work	1,124	2.0	697	2.6	1,821	2.2
4. Unemployed	5,690	10.0	1,041	3.8	6,731	8.0
5. Not in labour force	32,265	56.9	6,499	23.8	38,764	46.2
6. Labour force status not stated	167	0.3	66	0.2	233	0.3
Totals	56,679	100.0	27,291	100.0	83,970	100.0

**Table B21 2016 Census
Labour Force Status of 15-19 year olds**

LFSP Labour Force Status	Employed, worked full-time	Employed, worked part-time	Employed, away from work	Unemployed, looking for full-time work	Unemployed, looking for part-time work	Not in the labour force	Not stated	Total
<i>TYPP Type of Educational Institution Attending</i>								
Preschool	0	0	0	0	0	0	0	0
Infants/Primary - Government	0	0	0	0	0	0	0	0
Infants/Primary - Catholic	0	0	0	0	0	0	0	0
Infants/Primary - Other Non Government	0	0	0	0	0	0	0	0
Secondary - Government	565	109,401	8,250	1,458	31,372	286,874	556	438,476
Secondary - Catholic	173	54,982	4,473	258	11,829	106,088	106	177,917
Secondary - Other Non Government	181	32,415	2,753	202	8,121	106,260	93	150,029
Technical or Further Educational Institution (including TAFE Colleges)	23,747	20,115	2,230	2,675	7,225	23,481	317	79,785
University or other Tertiary Institution	3,803	96,558	6,690	978	24,775	73,860	128	206,800
Other	1,557	3,954	357	758	1,440	9,843	89	17,999
Not stated	1,081	5,529	1,026	596	1,499	26,010	66,475	102,226
Not applicable	74,689	72,107	8,304	31,336	9,682	49,213	3,034	248,366
Total	105,797	395,068	34,089	38,260	95,954	681,633	70,797	1,421,597



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