

17. ACCI Tags

Tag 1: Tables and Charts

TABLE 1
GROSS DOMESTIC PRODUCT
Chain Volume Measures 1999-2000
Trend

		GDP (\$m)	Percentage Change	
			Quarterly	Annual
1993	March	118,045	1.0	4.1
	June	118,683	0.5	3.9
	September	119,506	0.7	3.6
	December	121,029	1.3	3.6
1994	March	122,981	1.6	4.2
	June	124,670	1.4	5.0
	September	125,651	0.8	5.1
	December	126,364	0.6	4.4
1995	March	127,368	0.8	3.6
	June	128,647	1.0	3.2
	September	130,237	1.2	3.6
	December	131,724	1.1	4.2
1996	March	133,047	1.0	4.5
	June	134,340	1.0	4.4
	September	135,402	0.8	4.0
	December	136,386	0.7	3.5
1997	March	137,630	0.9	3.4
	June	139,040	1.0	3.5
	September	140,772	1.2	4.0
	December	142,510	1.2	4.5
1998	March	144,192	1.2	4.8
	June	146,089	1.3	5.1
	September	148,155	1.4	5.2
	December	150,159	1.4	5.4
1999	March	151,845	1.1	5.3
	June	153,345	1.0	5.0
	September	155,000	1.1	4.6
	December	156,735	1.1	4.4
2000	March	158,216	0.9	4.2
	June	159,062	0.5	3.7
	September	159,310	0.2	2.8
	December	159,450	0.1	1.7
2001	March	160,255	0.5	1.3
	June	161,708	0.9	1.7
	September	163,412	1.1	2.6

Source: ABS - National Income, Expenditure and Product.

CHART 1

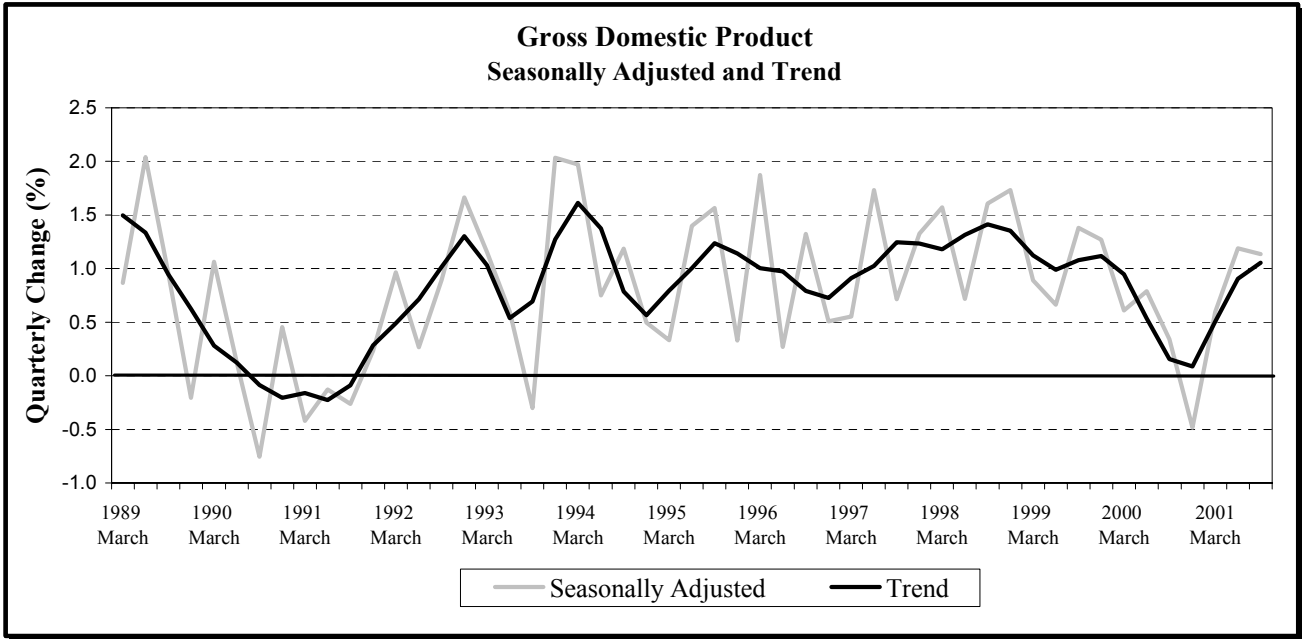


TABLE 2

GROSS NON-FARM PRODUCT
Chain Volume Measures 1999-2000
Trend

		GNFP (\$m)	Percentage Change	
			Quarterly	Annual
1993	March	115,379	0.9	3.7
	June	116,037	0.6	3.6
	September	116,884	0.7	3.5
	December	118,285	1.2	3.5
1994	March	120,096	1.5	4.1
	June	121,987	1.6	5.1
	September	123,426	1.2	5.6
	December	124,553	0.9	5.3
1995	March	125,627	0.9	4.6
	June	126,575	0.8	3.8
	September	127,616	0.8	3.4
	December	128,661	0.8	3.3
1996	March	129,751	0.8	3.3
	June	130,857	0.9	3.4
	September	131,746	0.7	3.2
	December	132,667	0.7	3.1
1997	March	134,014	1.0	3.3
	June	135,603	1.2	3.6
	September	137,367	1.3	4.3
	December	139,032	1.2	4.8
1998	March	140,711	1.2	5.0
	June	142,518	1.3	5.1
	September	144,348	1.3	5.1
	December	146,082	1.2	5.1
1999	March	147,534	1.0	4.8
	June	148,971	1.0	4.5
	September	150,624	1.1	4.3
	December	152,323	1.1	4.3
2000	March	153,812	1.0	4.3
	June	154,737	0.6	3.9
	September	155,113	0.2	3.0
	December	155,391	0.2	2.0
2001	March	156,175	0.5	1.5
	June	157,540	0.9	1.8
	September	159,148	1.0	2.6

Source: ABS - National Income, Expenditure and Product.

CHART 2

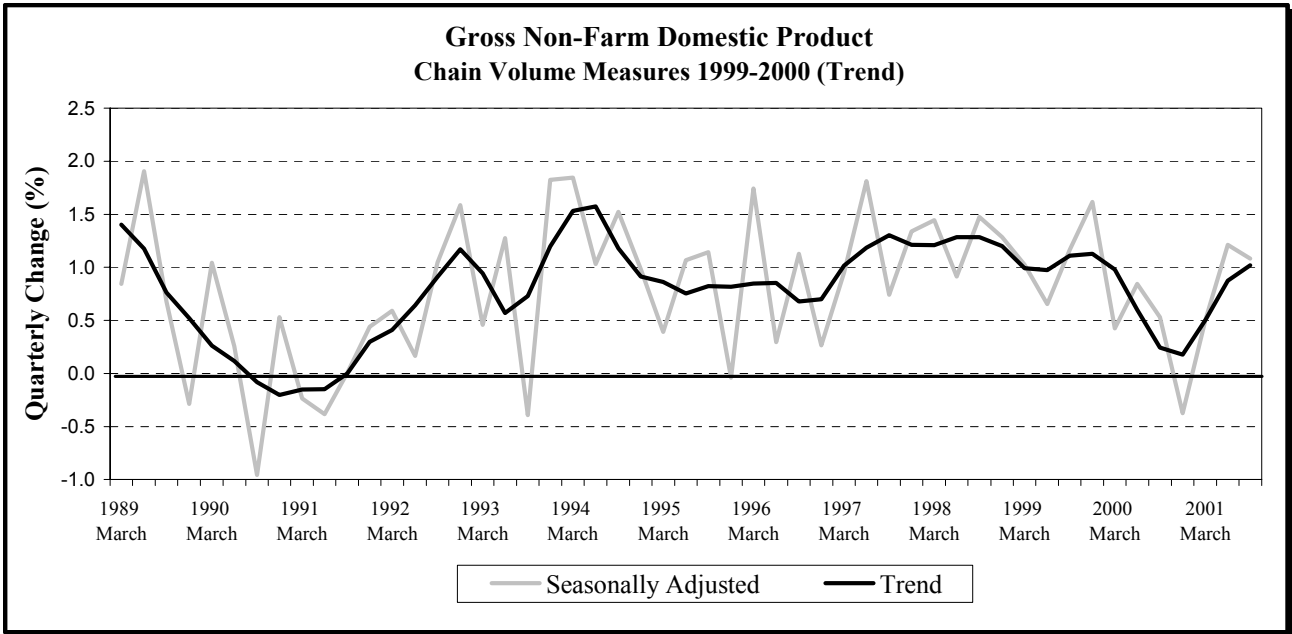


TABLE 3
PRIVATE CONSUMPTION
Chain Volume Measures 1999-2000
 Trend

		Total (\$m)	Percentage Change	
			Quarterly	Annual
1993	March	71,266	0.2	1.5
	June	71,516	0.4	1.2
	September	72,000	0.7	1.5
	December	72,602	0.8	2.1
1994	March	73,291	0.9	2.8
	June	74,085	1.1	3.6
	September	74,923	1.1	4.1
	December	75,949	1.4	4.6
1995	March	76,943	1.3	5.0
	June	77,738	1.0	4.9
	September	78,402	0.9	4.6
	December	79,038	0.8	4.1
1996	March	79,729	0.9	3.6
	June	80,312	0.7	3.3
	September	80,705	0.5	2.9
	December	81,172	0.6	2.7
1997	March	81,951	1.0	2.8
	June	83,088	1.4	3.5
	September	84,211	1.4	4.3
	December	85,140	1.1	4.9
1998	March	86,032	1.0	5.0
	June	87,030	1.2	4.7
	September	88,272	1.4	4.8
	December	89,530	1.4	5.2
1999	March	90,553	1.1	5.3
	June	91,549	1.1	5.2
	September	92,552	1.1	4.8
	December	93,439	1.0	4.4
2000	March	94,133	0.7	4.0
	June	94,456	0.3	3.2
	September	94,794	0.4	2.4
	December	95,445	0.7	2.1
2001	March	96,389	1.0	2.4
	June	97,418	1.1	3.1
	September	98,431	1.0	3.8

Source: ABS - National Income, Expenditure and Product.

CHART 3

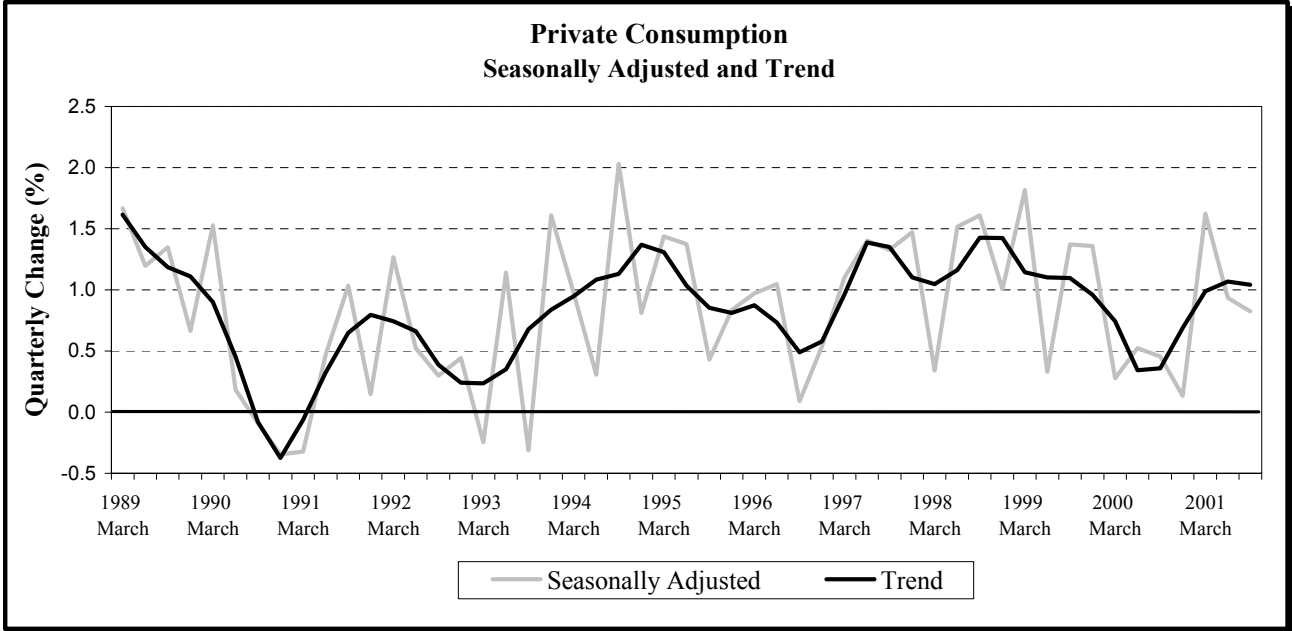


TABLE 4**PRIVATE SECTOR INVESTMENT**

Chain Volume Measures 1999-2000

Trend

		Total (\$m)	Percentage Change	
			Quarterly	Annual
1993	March	17,679	2.7	11.6
	June	17,948	1.5	11.7
	September	18,083	0.8	9.1
	December	18,509	2.4	7.5
1994	March	19,247	4.0	8.9
	June	20,155	4.7	12.3
	September	20,926	3.8	15.7
	December	21,307	1.8	15.1
1995	March	21,576	1.3	12.1
	June	21,413	-0.8	6.2
	September	21,420	0.0	2.4
	December	21,564	0.7	1.2
1996	March	22,149	2.7	2.7
	June	22,597	2.0	5.5
	September	23,131	2.4	8.0
	December	23,488	1.5	8.9
1997	March	23,968	2.0	8.2
	June	25,041	4.5	10.8
	September	25,816	3.1	11.6
	December	26,684	3.4	13.6
1998	March	27,253	2.1	13.7
	June	27,375	0.4	9.3
	September	27,508	0.5	6.6
	December	27,852	1.3	4.4
1999	March	28,274	1.5	3.7
	June	29,001	2.6	5.9
	September	29,226	0.8	6.2
	December	29,894	2.3	7.3
2000	March	30,798	3.0	8.9
	June	30,221	-1.9	4.2
	September	28,727	-4.9	-1.7
	December	27,571	-4.0	-7.8
2001	March	27,151	-1.5	-11.8
	June	27,370	0.8	-9.4
	September	28,121	2.7	-2.1

Source: ABS - National Income, Expenditure and Product.

CHART 4

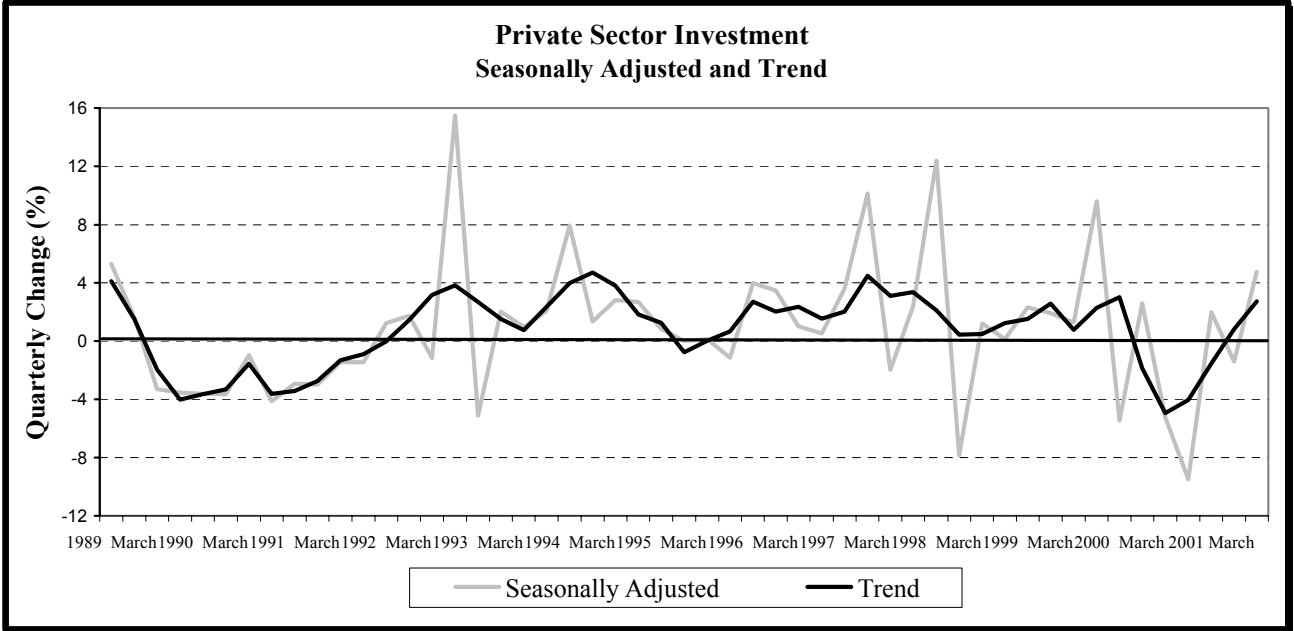


TABLE 5

**ACTUAL & EXPECTED CAPITAL EXPENDITURE
Current Prices**

TOTAL (\$ million)

Financial Year	Estimate 1	% Change	Estimate 2	% Change	Estimate 3	% Change	Estimate 4	% Change	Estimate 5	% Change	Estimate 6	% Change	Estimate 7	% Change
1997-1998	32,321	-	37,479	-	40,861	-	44,988	-	46,229	-	46,892	-	46,210	-
1998-1999	37,916	17.3	41,492	10.7	44,737	9.5	45,253	0.6	45,178	-2.3	45,467	-3.0	44,682	-3.3
1999-2000	32,045	-15.5	32,568	-21.5	36,264	-18.9	40,375	-10.8	41,934	-7.2	43,216	-5.0	42,447	-5.0
2000-2001	32,923	2.7	34,638	6.4	37,291	2.8	40,061	-0.8	39,444	-5.9	39,584	-8.4	39,357	-7.3
2001-2002	32,509	-1.3	34,393	-0.7	38,501	3.2	40,385	0.8	41,065	4.1				
2002-2003	39,398	21.2												

Source: ABS -Private New Capital Expenditure.

- Estimate 1 12 months expectation as reported in Jan-Feb of previous financial year
- Estimate 2 12 months expectation as reported in Apr-May of previous financial year
- Estimate 3 12 months expectation as reported in Jul-Aug
- Estimate 4 3 months actual and 9 months expectation as reported in Oct-Nov
- Estimate 5 6 months actual and 6 months expectation as reported in Jan-Feb
- Estimate 6 9 months actual and 3 months expectation as reported in Apr-May
- Estimate 7 Actual

CHART 5

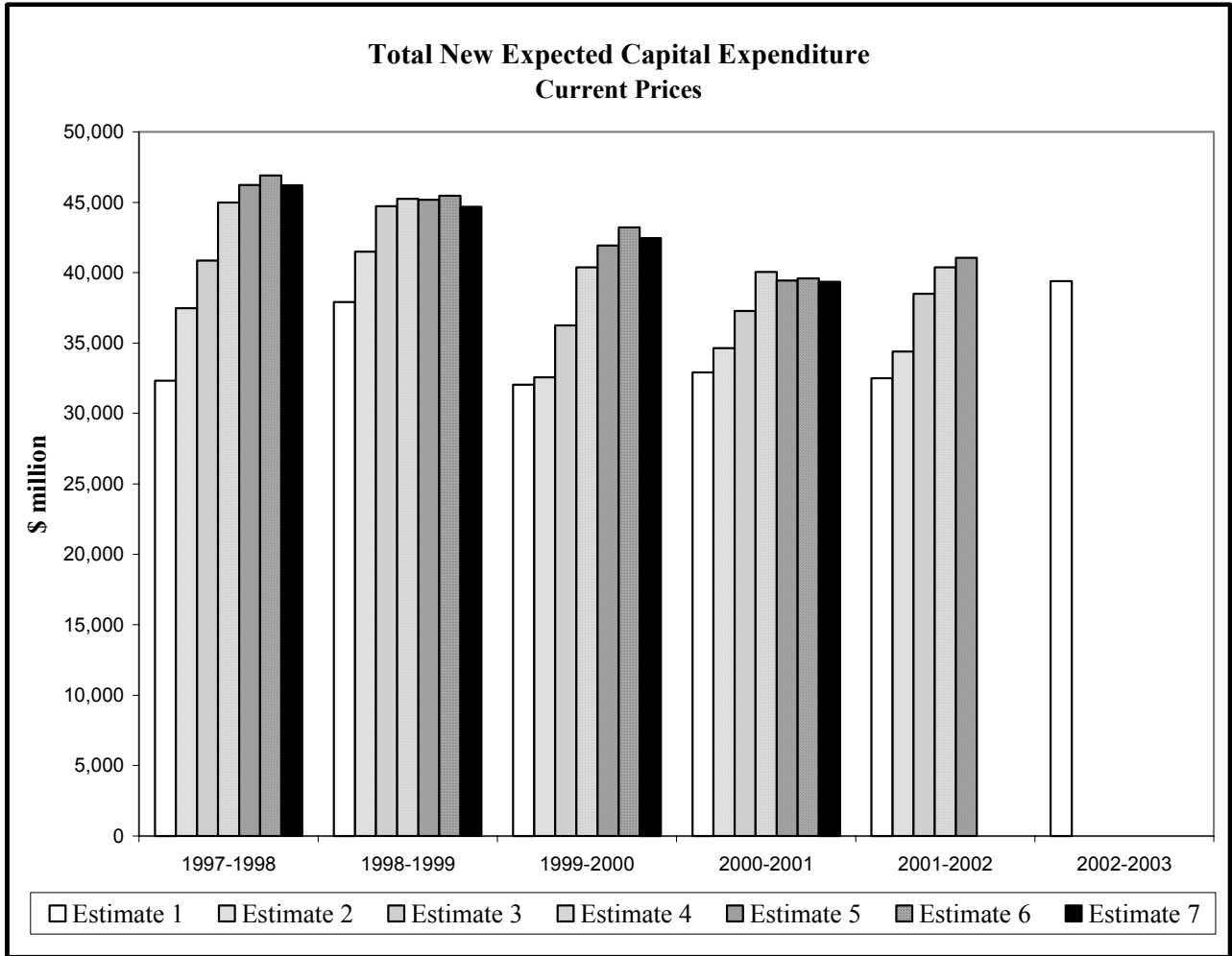


TABLE 6

DWELLINGS INVESTMENT
Chain Volume Measures 1999-2000
Trend

		Total (\$m)	Percentage Change	
			Quarterly	Annual
1993	March	6,168	2.9	15.8
	June	6,318	2.4	14.0
	September	6,464	2.3	11.8
	December	6,655	3.0	11.0
1994	March	6,910	3.8	12.0
	June	7,185	4.0	13.7
	September	7,371	2.6	14.0
	December	7,291	-1.1	9.6
1995	March	7,054	-3.3	2.1
	June	6,821	-3.3	-5.1
	September	6,579	-3.5	-10.7
	December	6,303	-4.2	-13.6
1996	March	6,014	-4.6	-14.7
	June	5,836	-3.0	-14.4
	September	5,910	1.3	-10.2
	December	6,119	3.5	-2.9
1997	March	6,382	4.3	6.1
	June	6,684	4.7	14.5
	September	7,002	4.8	18.5
	December	7,337	4.8	19.9
1998	March	7,609	3.7	19.2
	June	7,802	2.5	16.7
	September	7,959	2.0	13.7
	December	8,036	1.0	9.5
1999	March	8,046	0.1	5.7
	June	8,093	0.6	3.7
	September	8,298	2.5	4.3
	December	8,903	7.3	10.8
2000	March	9,455	6.2	17.5
	June	9,270	-2.0	14.5
	September	8,320	-10.2	0.3
	December	7,231	-13.1	-18.8
2001	March	6,941	-4.0	-26.6
	June	7,266	4.7	-21.6
	September	7,760	6.8	-6.7

Source: ABS - National Income, Expenditure and Product.

CHART 6

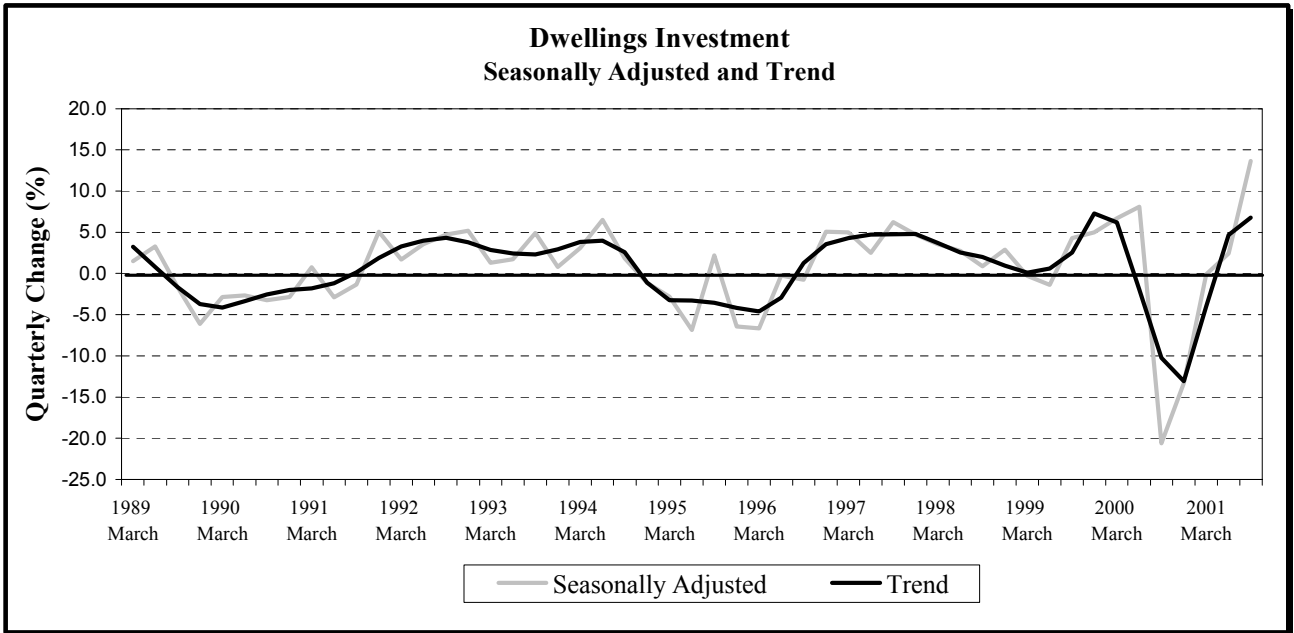


TABLE 7
OTHER BUILDINGS AND STRUCTURES
 Chain Volume Measures 1999-2000
 Trend

		Total (\$m)	Percentage Change	
			Quarterly	Annual
1993	March	3,286	0.0	-7.4
	June	3,303	0.5	-4.9
	September	3,299	-0.1	-1.3
	December	3,381	2.5	2.9
1994	March	3,483	3.0	6.0
	June	3,573	2.6	8.2
	September	3,596	0.6	9.0
	December	3,660	1.8	8.3
1995	March	3,846	5.1	10.4
	June	4,128	7.3	15.5
	September	4,296	4.1	19.5
	December	4,367	1.7	19.3
1996	March	4,503	3.1	17.1
	June	4,712	4.6	14.1
	September	4,986	5.8	16.1
	December	5,112	2.5	17.1
1997	March	5,039	-1.4	11.9
	June	4,928	-2.2	4.6
	September	4,993	1.3	0.1
	December	5,231	4.8	2.3
1998	March	5,574	6.6	10.6
	June	5,812	4.3	17.9
	September	5,950	2.4	19.2
	December	5,928	-0.4	13.3
1999	March	5,877	-0.9	5.4
	June	5,828	-0.8	0.3
	September	5,730	-1.7	-3.7
	December	5,569	-2.8	-6.1
2000	March	5,250	-5.7	-10.7
	June	4,798	-8.6	-17.7
	September	4,432	-7.6	-22.7
	December	4,225	-4.7	-24.1
2001	March	4,239	0.3	-19.3
	June	4,312	1.7	-10.1
	September	4,372	1.4	-1.4

Source: ABS - National Income, Expenditure and Product

CHART 7

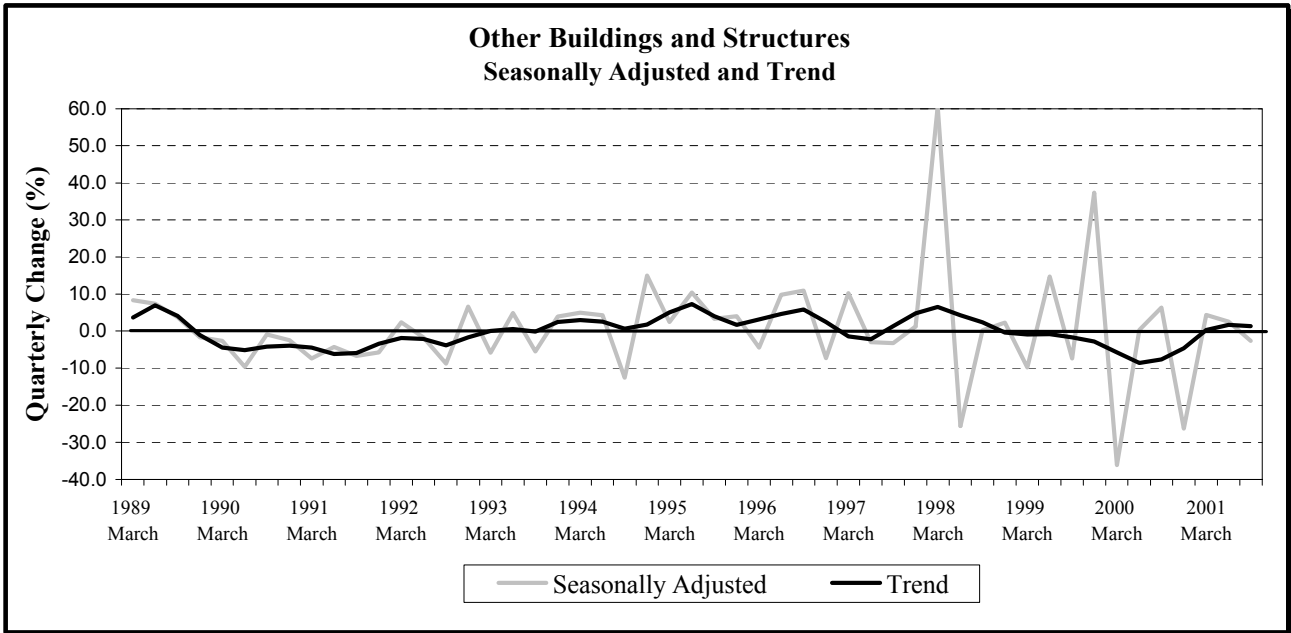


TABLE 8

MACHINERY AND EQUIPMENT
Chain Volume Measures 1999-2000
Trend

		Total (\$m)	Percentage Change	
			Quarterly	Annual
1993	March	5,496	2.7	16.1
	June	5,557	1.1	15.1
	September	5,507	-0.9	8.9
	December	5,630	2.2	5.2
1994	March	5,922	5.2	7.8
	June	6,355	7.3	14.4
	September	6,789	6.8	23.3
	December	7,154	5.4	27.1
1995	March	7,498	4.8	26.6
	June	7,448	-0.7	17.2
	September	7,415	-0.4	9.2
	December	7,690	3.7	7.5
1996	March	8,159	6.1	8.8
	June	8,585	5.2	15.3
	September	8,624	0.5	16.3
	December	8,584	-0.5	11.6
1997	March	8,799	2.5	7.8
	June	9,378	6.6	9.2
	September	9,708	3.5	12.6
	December	9,971	2.7	16.2
1998	March	9,968	0.0	13.3
	June	9,630	-3.4	2.7
	September	9,356	-2.8	-3.6
	December	9,480	1.3	-4.9
1999	March	9,836	3.8	-1.3
	June	10,198	3.7	5.9
	September	10,306	1.1	10.2
	December	10,493	1.8	10.7
2000	March	10,788	2.8	9.7
	June	10,750	-0.4	5.4
	September	11,089	3.2	7.6
	December	10,780	-2.8	2.7
2001	March	10,499	-2.6	-2.7
	June	10,224	-2.6	-4.9
	September	10,269	0.4	-7.4

Source: ABS - National Income, Expenditure and Product

CHART 8

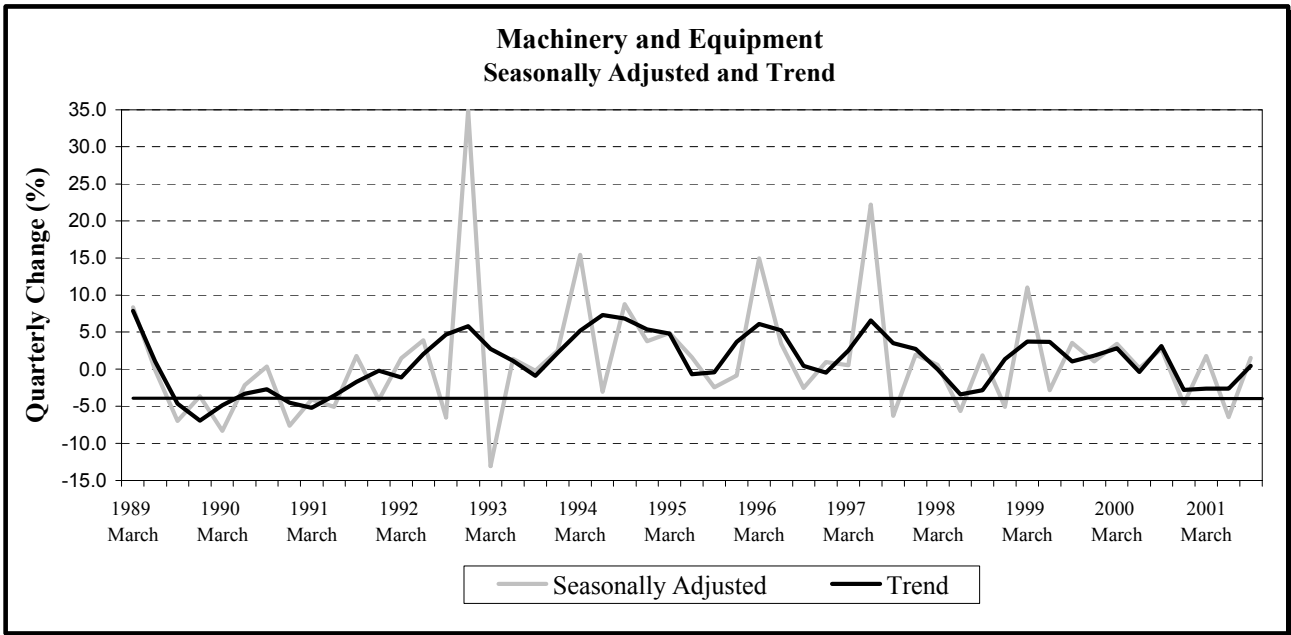


TABLE 9

BUSINESS INVESTMENT
Chain Volume Measures 1999-2000
Trend

		Total (\$m)	Percentage Change	
			Quarterly	Annual
1993	March	10,020	2.8	11.0
	June	10,157	1.4	12.3
	September	10,099	-0.6	8.0
	December	10,293	1.9	5.6
1994	March	10,707	4.0	6.9
	June	11,284	5.4	11.1
	September	11,835	4.9	17.2
	December	12,307	4.0	19.6
1995	March	12,839	4.3	19.9
	June	12,914	0.6	14.4
	September	13,227	2.4	11.8
	December	13,576	2.6	10.3
1996	March	14,288	5.2	11.3
	June	14,965	4.7	15.9
	September	15,368	2.7	16.2
	December	15,526	1.0	14.4
1997	March	15,758	1.5	10.3
	June	16,271	3.3	8.7
	September	16,844	3.5	9.6
	December	17,351	3.0	11.8
1998	March	17,664	1.8	12.1
	June	17,515	-0.8	7.6
	September	17,585	0.4	4.4
	December	17,820	1.3	2.7
1999	March	18,361	3.0	3.9
	June	18,613	1.4	6.3
	September	18,804	1.0	6.9
	December	18,788	-0.1	5.4
2000	March	19,008	1.2	3.5
	June	18,635	-2.0	0.1
	September	18,596	-0.2	-1.1
	December	18,320	-1.5	-2.5
2001	March	18,131	-1.0	-4.6
	June	17,908	-1.2	-3.9
	September	17,995	0.5	-3.2

Source: ABS - National Income, Expenditure and Product

CHART 9

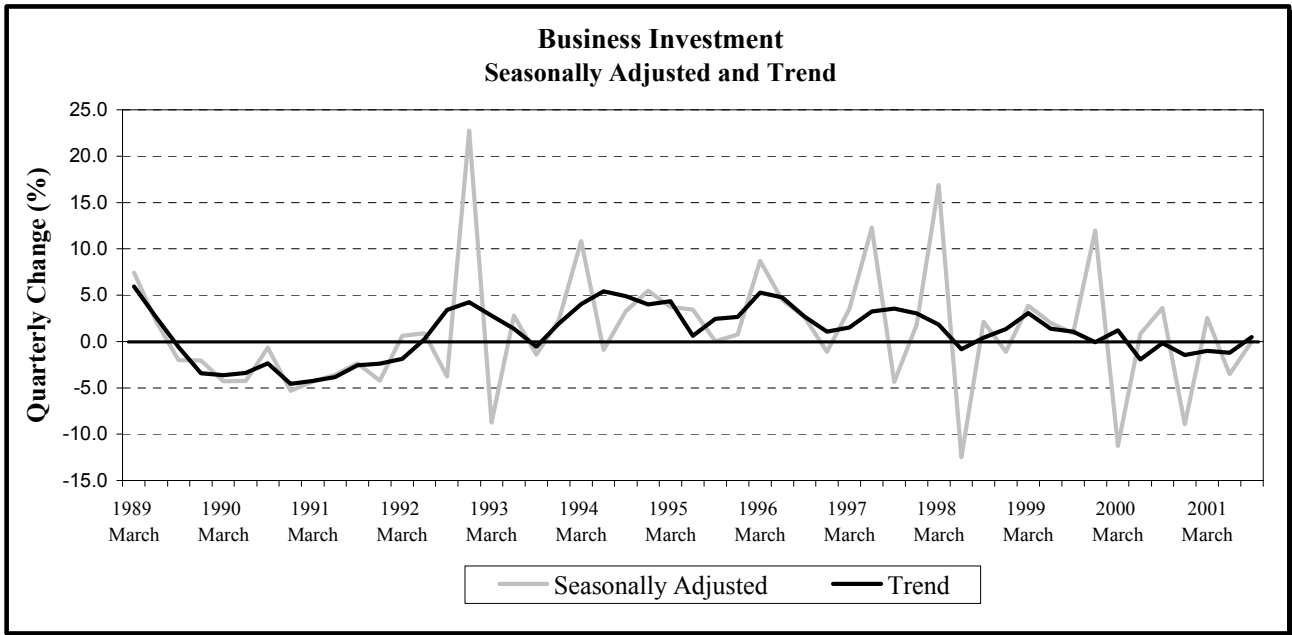


TABLE 10

EXPORTS AND IMPORTS
Chain Volume Measures 1999-2000
Trend

		Exports (\$m)	Percentage Change		Imports (\$m)	Percentage Change	
			Quarterly	Annual		Quarterly	Annual
1993	March	19,591	1.7	7.7	19,132	0.4	6.0
	June	19,980	2.0	8.0	19,255	0.6	4.5
	September	20,481	2.5	8.4	19,523	1.4	3.7
	December	21,109	3.1	9.5	19,933	2.1	4.6
1994	March	21,620	2.4	10.4	20,539	3.0	7.4
	June	21,957	1.6	9.9	21,535	4.8	11.8
	September	22,151	0.9	8.2	22,744	5.6	16.5
	December	22,259	0.5	5.4	23,718	4.3	19.0
1995	March	22,487	1.0	4.0	24,111	1.7	17.4
	June	22,831	1.5	4.0	23,936	-0.7	11.1
	September	23,405	2.5	5.7	23,784	-0.6	4.6
	December	24,271	3.7	9.0	24,185	1.7	2.0
1996	March	25,051	3.2	11.4	24,932	3.1	3.4
	June	25,442	1.6	11.4	25,661	2.9	7.2
	September	25,781	1.3	10.2	26,105	1.7	9.8
	December	26,294	2.0	8.3	26,602	1.9	10.0
1997	March	27,039	2.8	7.9	27,503	3.4	10.3
	June	27,622	2.2	8.6	28,490	3.6	11.0
	September	27,820	0.7	7.9	29,192	2.5	11.8
	December	27,922	0.4	6.2	29,648	1.6	11.5
1998	March	28,078	0.6	3.8	29,899	0.8	8.7
	June	28,363	1.0	2.7	30,161	0.9	5.9
	September	28,686	1.1	3.1	30,435	0.9	4.3
	December	28,790	0.4	3.1	30,762	1.1	3.8
1999	March	28,852	0.2	2.8	31,466	2.3	5.2
	June	29,197	1.2	2.9	32,491	3.3	7.7
	September	29,936	2.5	4.4	33,727	3.8	10.8
	December	30,965	3.4	7.6	34,878	3.4	13.4
2000	March	31,843	2.8	10.4	35,651	2.2	13.3
	June	32,513	2.1	11.4	35,849	0.6	10.3
	September	32,888	1.2	9.9	35,499	-1.0	5.3
	December	33,112	0.7	6.9	34,758	-2.1	-0.3
2001	March	33,305	0.6	4.6	34,076	-2.0	-4.4
	June	33,455	0.5	2.9	33,561	-1.5	-6.4
	September	33,509	0.2	1.9	33,244	-0.9	-6.4

Source: ABS - National Income, Expenditure and Product

CHART 10

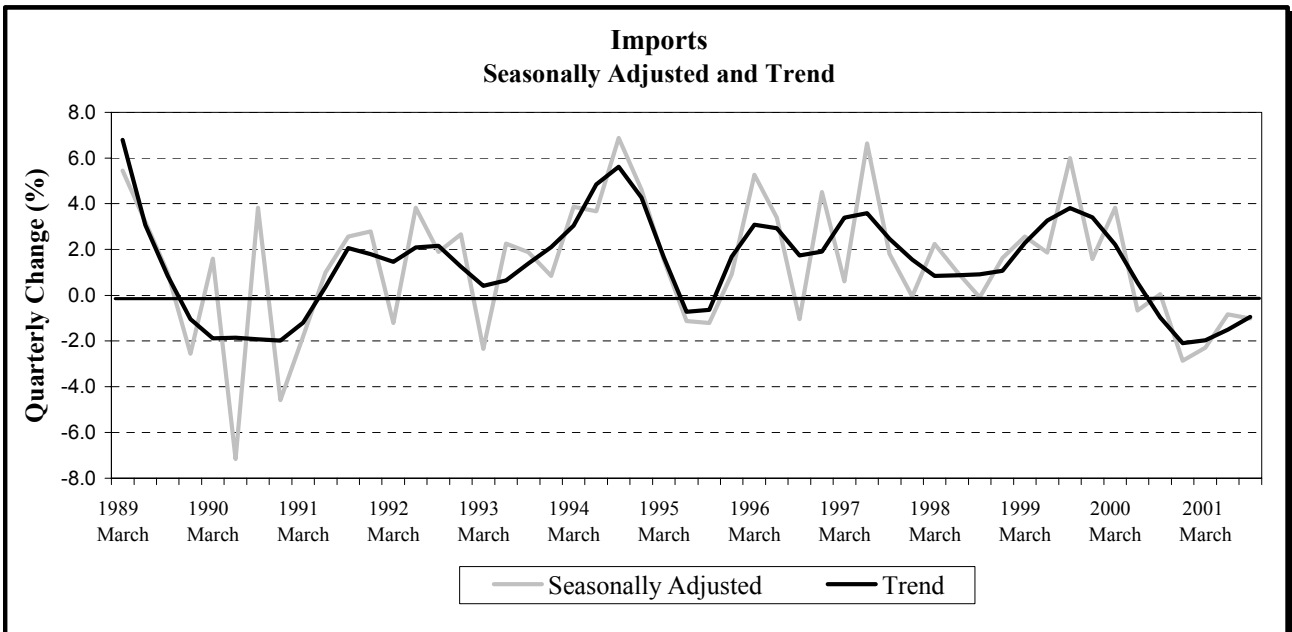
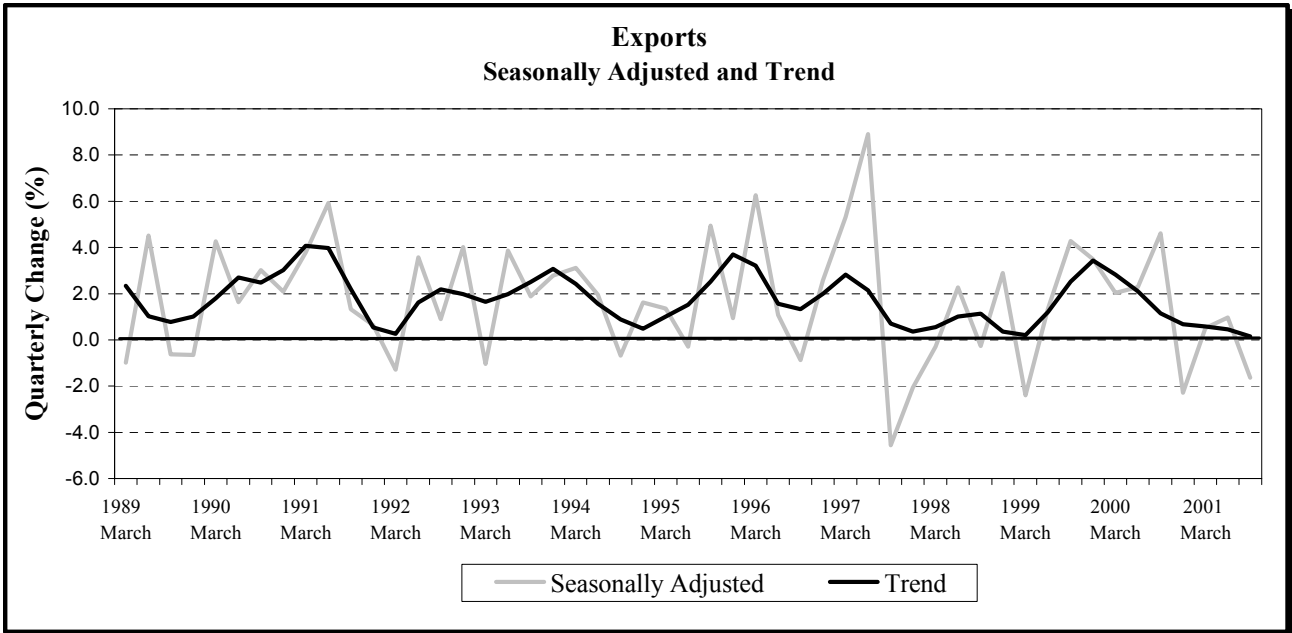


TABLE 11

TOTAL EMPLOYMENT
Chain Volume Measures 1999-2000
Trend

		Total (000s)	Percentage Change	
			Quarterly	Annual
1993	March	7,637.6	-0.1	-0.4
	June	7,659.1	0.3	-0.1
	September	7,709.9	0.7	0.6
	December	7,780.2	0.9	1.8
1994	March	7,833.8	0.7	2.6
	June	7,894.7	0.8	3.1
	September	7,982.1	1.1	3.5
	December	8,057.8	0.9	3.6
1995	March	8,153.0	1.2	4.1
	June	8,250.4	1.2	4.5
	September	8,291.7	0.5	3.9
	December	8,323.1	0.4	3.3
1996	March	8,337.9	0.2	2.3
	June	8,348.3	0.1	1.2
	September	8,377.9	0.4	1.0
	December	8,399.5	0.3	0.9
1997	March	8,418.4	0.2	1.0
	June	8,419.1	0.0	0.8
	September	8,436.5	0.2	0.7
	December	8,493.6	0.7	1.1
1998	March	8,547.2	0.6	1.5
	June	8,597.7	0.6	2.1
	September	8,647.8	0.6	2.5
	December	8,682.3	0.4	2.2
1999	March	8,716.5	0.4	2.0
	June	8,768.7	0.6	2.0
	September	8,833.5	0.7	2.1
	December	8,905.3	0.8	2.6
2000	March	8,975.9	0.8	3.0
	June	9,058.9	0.9	3.3
	September	9,123.6	0.7	3.3
	December	9,117.9	-0.1	2.4
2001	March	9,120.5	0.0	1.6
	June	9,147.1	0.3	1.0
	September	9,169.1	0.2	0.5
	December	9,198.2	0.3	0.9
2002	March (p)	9,225.3	0.4	1.2

Source: ABS – Labour Force.

CHART 11



TABLE 12

UNEMPLOYMENT
Chain Volume Measures 1999-2000
Trend

		Total (000s)	Percentage Change	
			Quarterly	Annual
1993	March	914.9	-0.2	5.6
	June	910.6	-0.5	1.7
	September	918.8	0.9	0.7
	December	910.9	-0.9	-0.7
1994	March	880.1	-3.4	-3.8
	June	847.0	-3.8	-7.0
	September	808.2	-4.6	-12.0
	December	777.3	-3.8	-14.7
1995	March	757.0	-2.6	-14.0
	June	733.7	-3.1	-13.4
	September	730.6	-0.4	-9.6
	December	736.0	0.7	-5.3
1996	March	739.2	0.4	-2.4
	June	743.7	0.6	1.4
	September	754.0	1.4	3.2
	December	765.4	1.5	4.0
1997	March	771.2	0.8	4.3
	June	766.6	-0.6	3.1
	September	755.1	-1.5	0.1
	December	741.6	-1.8	-3.1
1998	March	727.5	-1.9	-5.7
	June	727.8	0.0	-5.1
	September	725.4	-0.3	-3.9
	December	702.0	-3.2	-5.3
1999	March	679.6	-3.2	-6.6
	June	660.1	-2.9	-9.3
	September	650.5	-1.5	-10.3
	December	638.3	-1.9	-9.1
2000	March	628.1	-1.6	-7.6
	June	616.9	-1.8	-6.5
	September	593.6	-3.8	-8.7
	December	601.3	1.3	-5.8
2001	March	636.7	5.9	1.4
	June	668.4	5.0	8.3
	September	673.7	0.8	13.5
	December	672.9	-0.1	11.9
2002	March (p)	677.0	0.8	8.7

Source: ABS – Labour Force.

CHART 12



TABLE 13

UNEMPLOYMENT RATE
Chain Volume Measures 1999-2000
Trend

		Unemployment Rate %
1993	March	10.7
	June	10.7
	September	10.6
	December	10.6
1994	March	10.4
	June	10.0
	September	9.5
	December	9.0
1995	March	8.7
	June	8.4
	September	8.1
	December	8.1
1996	March	8.1
	June	8.2
	September	8.2
	December	8.3
1997	March	8.4
	June	8.4
	September	8.3
	December	8.2
1998	March	8.0
	June	7.8
	September	7.8
	December	7.7
1999	March	7.4
	June	7.1
	September	6.9
	December	6.8
2000	March	6.6
	June	6.5
	September	6.3
	December	6.1
2001	March	6.3
	June	6.6
	September	6.9
	December	6.8
2002	March (p)	6.8

Source: ABS – Labour Force.

CHART 13

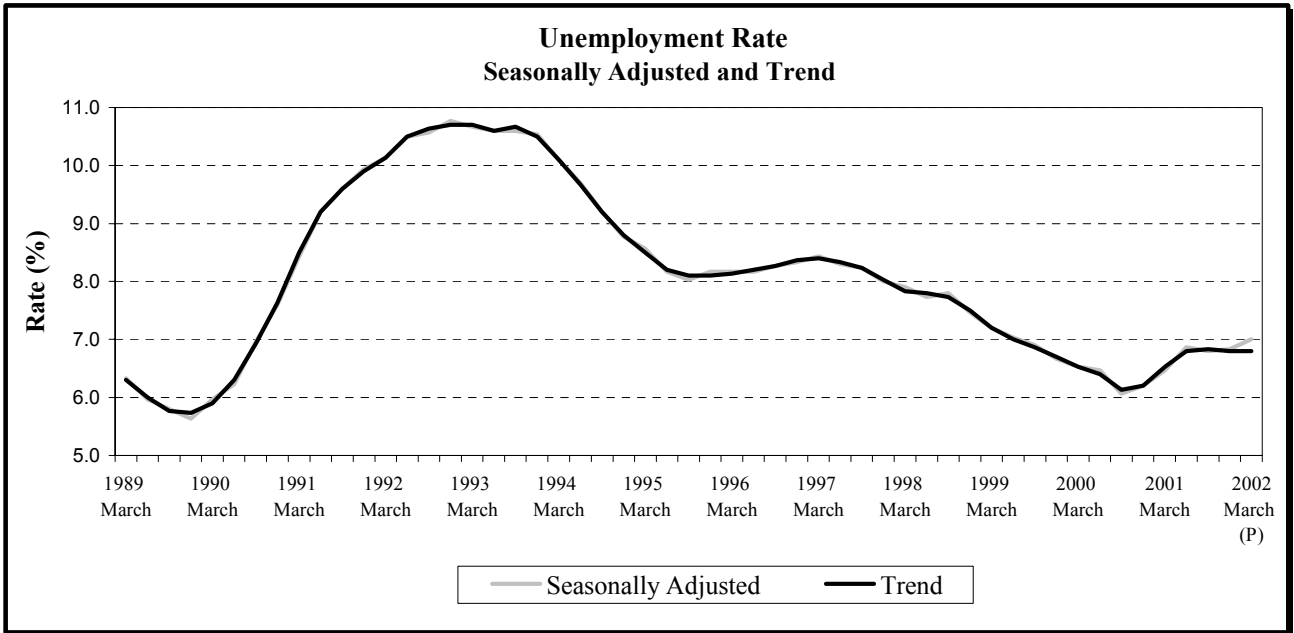


TABLE 14
FULL-TIME EMPLOYMENT
Chain Volume Measures 1999-2000
Trend

		Total (000s)	Percentage Change	
			Quarterly	Annual
1993	March	5,850.6	0.5	-0.5
	June	5,871.4	0.4	0.6
	September	5,881.6	0.2	1.1
	December	5,917.0	0.6	1.7
1994	March	5,951.7	0.6	1.7
	June	5,991.4	0.7	2.0
	September	6,049.1	1.0	2.8
	December	6,083.2	0.6	2.8
1995	March	6,138.2	0.9	3.1
	June	6,217.1	1.3	3.8
	September	6,253.4	0.6	3.4
	December	6,266.7	0.2	3.0
1996	March	6,272.7	0.1	2.2
	June	6,276.8	0.1	1.0
	September	6,285.8	0.1	0.5
	December	6,282.8	0.0	0.3
1997	March	6,273.0	-0.2	0.0
	June	6,263.3	-0.2	-0.2
	September	6,271.1	0.1	-0.2
	December	6,310.9	0.6	0.4
1998	March	6,355.0	0.7	1.3
	June	6,384.2	0.5	1.9
	September	6,408.0	0.4	2.2
	December	6,416.7	0.1	1.7
1999	March	6,434.5	0.3	1.3
	June	6,467.8	0.5	1.3
	September	6,514.1	0.7	1.7
	December	6,565.7	0.8	2.3
2000	March	6,613.2	0.7	2.8
	June	6,674.5	0.9	3.2
	September	6,716.4	0.6	3.1
	December	6,703.3	-0.2	2.1
2001	March	6,685.3	-0.3	1.1
	June	6,648.9	-0.5	-0.4
	September	6,624.3	-0.4	-1.4
	December	6,645.3	0.3	-0.9
2002	March (p)	6,663.9	0.4	-0.4

Source: ABS – Labour Force.

CHART 14

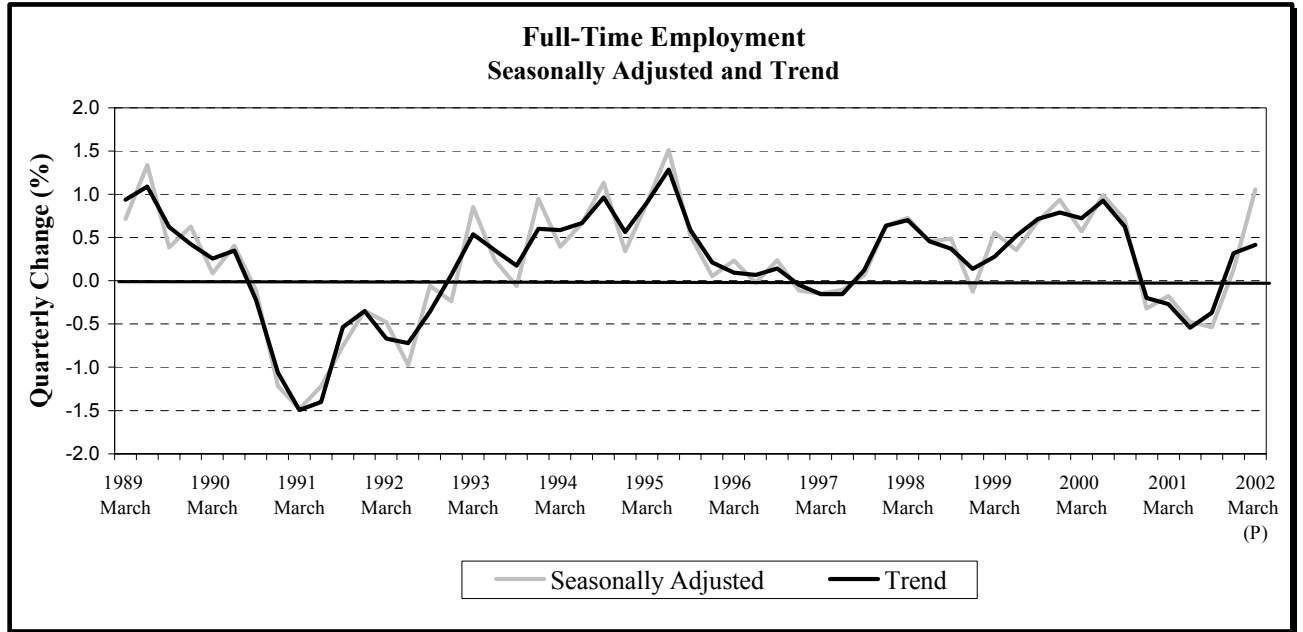


TABLE 15

PART-TIME EMPLOYMENT
Chain Volume Measures 1999-2000
Trend

		Total (000s)	Percentage Change	
			Quarterly	Annual
1993	March	1,787.0	-2.1	0.0
	June	1,787.7	0.0	-2.3
	September	1,828.2	2.3	-1.3
	December	1,863.1	1.9	2.1
1994	March	1,882.2	1.0	5.3
	June	1,903.3	1.1	6.5
	September	1,933.1	1.6	5.7
	December	1,974.6	2.1	6.0
1995	March	2,014.7	2.0	7.0
	June	2,033.3	0.9	6.8
	September	2,038.3	0.2	5.4
	December	2,056.4	0.9	4.1
1996	March	2,065.2	0.4	2.5
	June	2,071.5	0.3	1.9
	September	2,092.1	1.0	2.6
	December	2,116.7	1.2	2.9
1997	March	2,145.4	1.4	3.9
	June	2,155.9	0.5	4.1
	September	2,165.5	0.4	3.5
	December	2,182.7	0.8	3.1
1998	March	2,192.2	0.4	2.2
	June	2,213.5	1.0	2.7
	September	2,239.7	1.2	3.4
	December	2,265.5	1.2	3.8
1999	March	2,282.0	0.7	4.1
	June	2,300.8	0.8	3.9
	September	2,319.4	0.8	3.6
	December	2,339.7	0.9	3.3
2000	March	2,362.7	1.0	3.5
	June	2,384.4	0.9	3.6
	September	2,407.2	1.0	3.8
	December	2,414.6	0.3	3.2
2001	March	2,435.2	0.9	3.1
	June	2,498.2	2.6	4.8
	September	2,544.7	1.9	5.7
	December	2,552.9	0.3	5.7
2002	March (p)	2,561.4	0.5	5.7

Source: ABS – Labour Force.

CHART 15

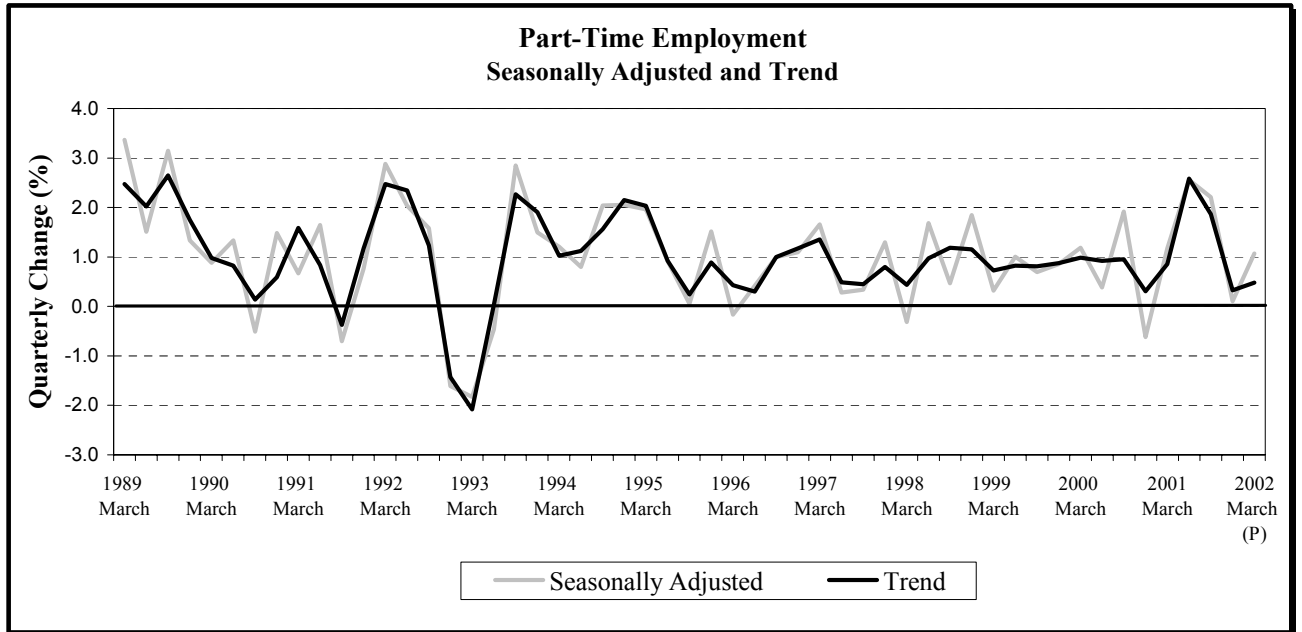


TABLE 16

CONSUMER PRICE INDEX

Base of index: 1989-90 = 100.0

Trend

		CPI		Percentage Change	
		Original	GST Adjusted.	Quarterly	Annual
1993	March	108.9	112.2	0.9	1.2
	June	109.3	112.6	0.4	1.9
	September	109.8	113.1	0.5	2.2
	December	110.0	113.3	0.2	1.9
1994	March	110.4	113.7	0.4	1.4
	June	111.2	114.5	0.7	1.7
	September	111.9	115.3	0.6	1.9
	December	112.8	116.2	0.8	2.5
1995	March	114.7	118.1	1.7	3.9
	June	116.2	119.7	1.3	4.5
	September	117.6	121.1	1.2	5.1
	December	118.5	122.1	0.8	5.1
1996	March	119.0	122.6	0.4	3.7
	June	119.8	123.4	0.7	3.1
	September	120.1	123.7	0.3	2.1
	December	120.3	123.9	0.2	1.5
1997	March	120.5	124.1	0.2	1.3
	June	120.2	123.8	-0.2	0.3
	September	119.7	123.3	-0.4	-0.3
	December	120.0	123.6	0.3	-0.2
1998	March	120.3	123.9	0.2	-0.2
	June	121.0	124.6	0.6	0.7
	September	121.3	124.9	0.2	1.3
	December	121.9	125.6	0.5	1.6
1999	March	121.8	125.5	-0.1	1.2
	June	122.3	126.0	0.4	1.1
	September	123.4	127.1	0.9	1.7
	December	124.1	127.8	0.6	1.8
2000	March	125.2	129.0	0.9	2.8
	June	126.2	130.0	0.8	3.2
	September	130.9	130.9	0.7	3.0
	December	131.3	131.3	0.3	2.7
2001	March	132.7	132.7	1.1	2.9
	June	133.8	133.8	0.8	2.9
	September	134.2	134.2	0.3	2.5
	December	135.4	135.4	0.9	3.1

Source: ABS – Consumer Price Index.

CHART 16

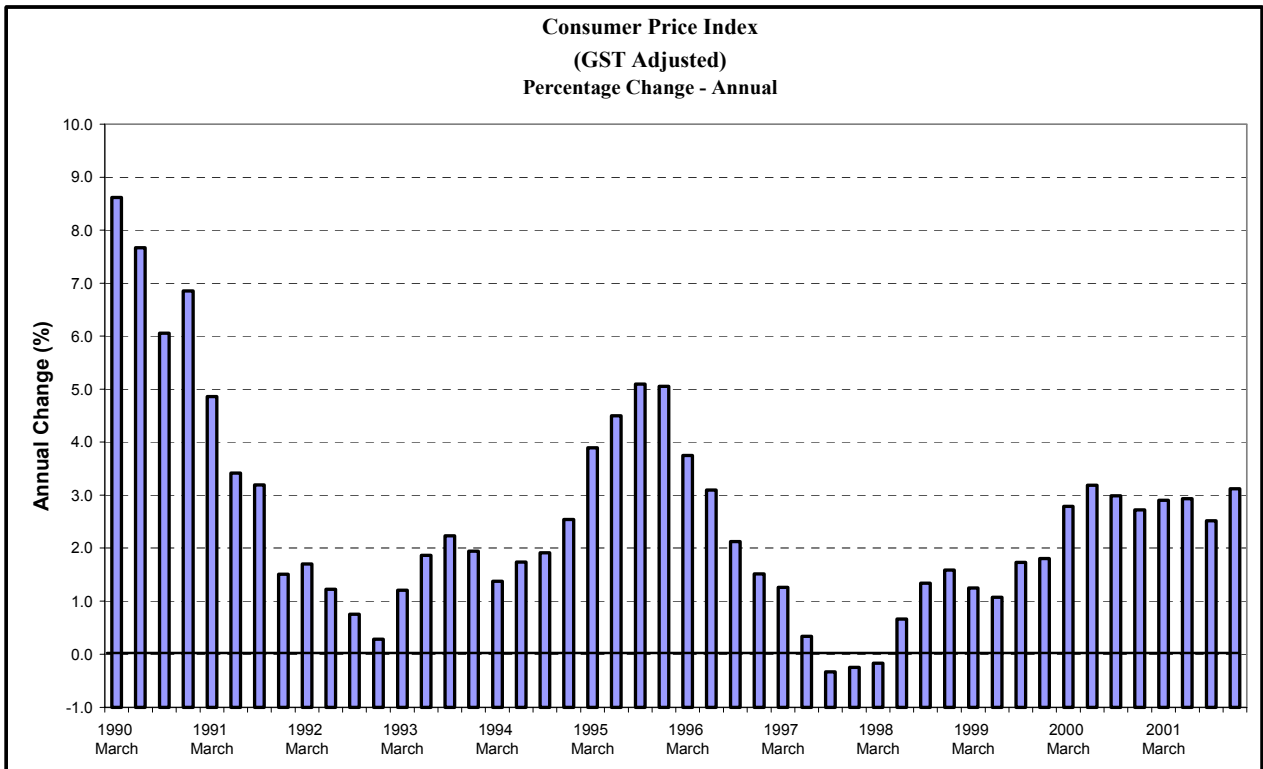
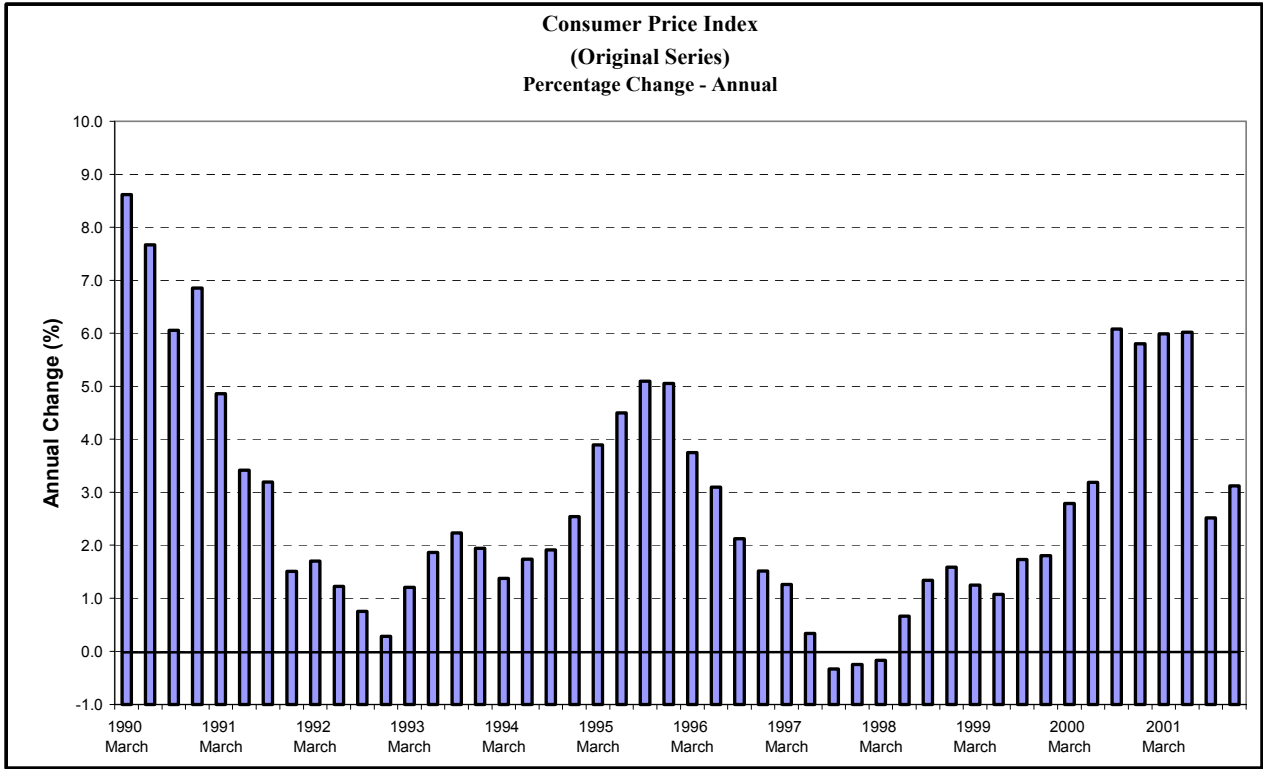


TABLE 17

FULL-TIME ADULT ORDINARY TIME EARNINGS
Chain Volume Measures 1999-2000
Trend

		Total (000s)	Percentage Change	
			Quarterly	Annual
1993	February	592.10	0.7	1.2
	May	597.40	0.9	1.7
	August	602.20	0.8	2.5
	November	606.30	0.7	3.1
1994	February	610.70	0.7	3.1
	May	616.10	0.9	3.1
	August	622.40	1.0	3.4
	November	629.60	1.2	3.8
1995	February	637.90	1.3	4.5
	May	646.30	1.3	4.9
	August	653.40	1.1	5.0
	November	659.60	0.9	4.8
1996	February	665.50	0.9	4.3
	May	671.70	0.9	3.9
	August	678.50	1.0	3.8
	November	685.30	1.0	3.9
1997	February	692.00	1.0	4.0
	May	698.70	1.0	4.0
	August	705.50	1.0	4.0
	November	712.70	1.0	4.0
1998	February	720.40	1.1	4.1
	May	728.50	1.1	4.3
	August	735.40	0.9	4.2
	November	740.80	0.7	3.9
1999	February	745.20	0.6	3.4
	May	749.20	0.5	2.8
	August	754.80	0.7	2.6
	November	762.60	1.0	2.9
2000	February	773.30	1.4	3.8
	May	785.50	1.6	4.8
	August	794.80	1.2	5.3
	November	802.90	1.0	5.3
2001	February	812.20	1.2	5.0
	May	824.30	1.5	4.9
	August	837.40	1.6	5.4
	November	849.90	1.5	5.9

Source: ABS – Average Weekly Earnings.

CHART 17

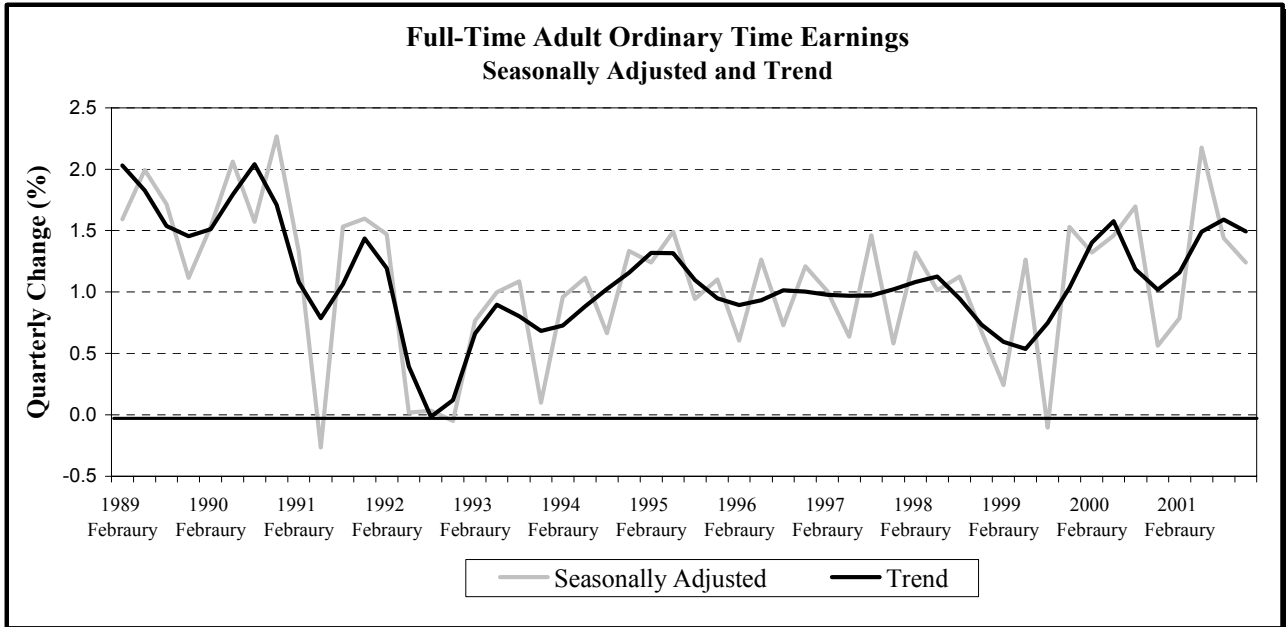


TABLE 18

REAL FULL-TIME ADULT ORDINARY TIME EARNINGS
Chain Volume Measures 1999-2000 GST ADJUSTED
Trend

		Earnings (\$)	CPI	Real AWOTE (\$)	Percentage Change	
					Quarterly	Annual
1993	February	592.10	112.2	527.87	-0.3	0.0
	May	597.40	112.6	530.65	0.5	-0.2
	August	602.20	113.1	532.48	0.3	0.3
	November	606.30	113.3	535.13	0.5	1.1
1994	February	610.70	113.7	537.06	0.4	1.7
	May	616.10	114.5	537.91	0.2	1.4
	August	622.40	115.3	540.01	0.4	1.4
	November	629.60	116.2	541.90	0.3	1.3
1995	February	637.90	118.1	539.95	-0.4	0.5
	May	646.30	119.7	540.00	0.0	0.4
	August	653.40	121.1	539.43	-0.1	-0.1
	November	659.60	122.1	540.41	0.2	-0.3
1996	February	665.50	122.6	542.96	0.5	0.6
	May	671.70	123.4	544.35	0.3	0.8
	August	678.50	123.7	548.49	0.8	1.7
	November	685.30	123.9	553.07	0.8	2.3
1997	February	692.00	124.1	557.55	0.8	2.7
	May	698.70	123.8	564.35	1.2	3.7
	August	705.50	123.3	572.22	1.4	4.3
	November	712.70	123.6	576.62	0.8	4.3
1998	February	720.40	123.9	581.39	0.8	4.3
	May	728.50	124.6	584.53	0.5	3.6
	August	735.40	124.9	588.61	0.7	2.9
	November	740.80	125.6	590.01	0.2	2.3
1999	February	745.20	125.5	594.00	0.7	2.2
	May	749.20	126.0	594.75	0.1	1.7
	August	754.80	127.1	593.85	-0.2	0.9
	November	762.60	127.8	596.61	0.5	1.1
2000	February	773.30	129.0	599.66	0.5	1.0
	May	785.50	130.0	604.30	0.8	1.6
	August	794.80	130.9	607.18	0.5	2.2
	November	802.90	131.3	611.50	0.7	2.5
2001	February	812.20	132.7	612.06	0.1	2.1
	May	824.30	133.8	616.07	0.7	1.9
	August	837.40	134.2	623.99	1.3	2.8
	November	849.90	135.4	627.70	0.6	2.6

Source: ABS – Average Weekly Earnings.

CHART 18

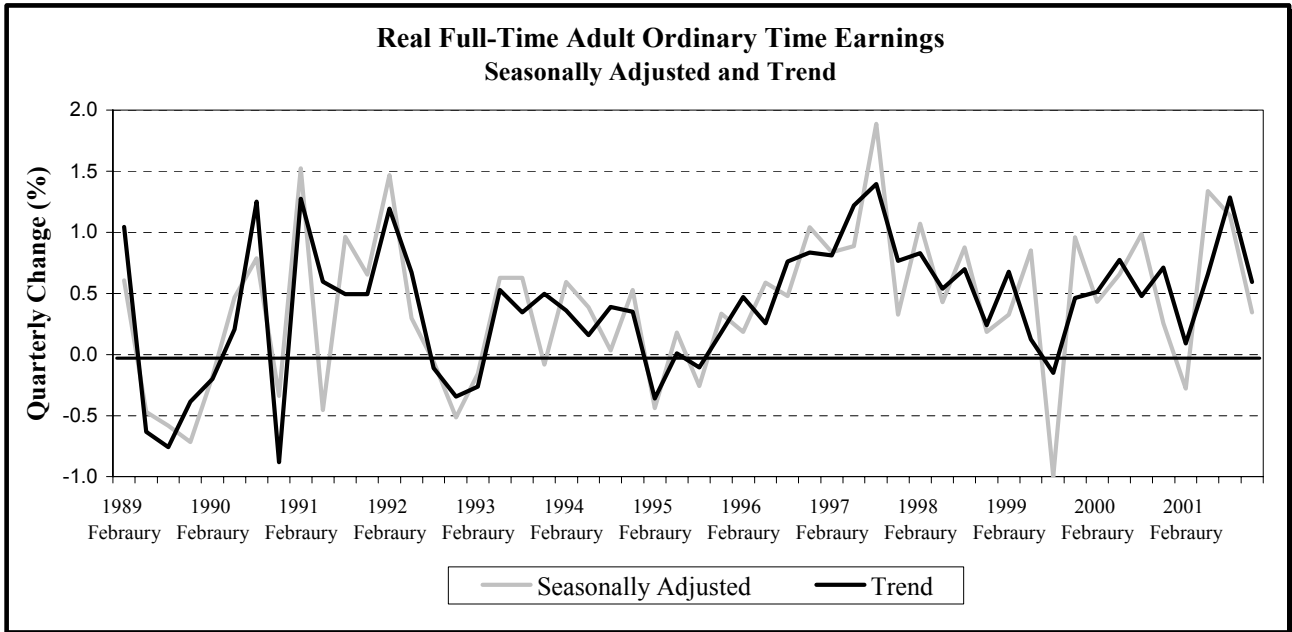


TABLE 19

Wage Cost Index
Total Hourly Rates of Pay Excluding Bonuses

		Private Sector			All		
		Index	Quarterly Change	Annual Change	Index	Quarterly Change	Annual Change
1997	September	100.0	-	-	100.0	-	-
	December	100.8	0.8	-	100.8	0.8	-
1998	March	101.7	0.9	-	101.7	0.9	-
	June	102.1	0.4	-	102.1	0.4	-
	September	103.2	1.1	3.2	103.3	1.2	3.3
	December	103.8	0.6	3.0	103.9	0.6	3.1
1999	March	104.5	0.7	2.8	104.8	0.9	3.0
	June	105.1	0.6	2.9	105.4	0.6	3.2
	September	106.2	1.0	2.9	106.4	0.9	3.0
	December	106.7	0.5	2.8	107.0	0.6	3.0
2000	March	107.5	0.7	2.9	107.7	0.7	2.8
	June	108.1	0.6	2.9	108.4	0.6	2.8
	September	109.5	1.3	3.1	109.7	1.2	3.1
	December	110.4	0.8	3.5	110.6	0.8	3.4
2001	March	111.4	0.9	3.6	111.7	1.0	3.7
	June	112.1	0.6	3.7	112.4	0.6	3.7
	September	113.4	1.2	3.6	113.6	1.1	3.6
	December	114.1	0.6	3.4	114.4	0.7	3.4

Source: ABS – Wage Cost Index, Consumer Price Index.

CHART 19



TABLE 20

Real Wage Cost Index
Total Hourly Rates of Pay Excluding Bonuses.

		Private Sector			All		
		Index	Quarterly Change	Annual Change	Index	Quarterly Change	Annual Change
1997	September	100.0	-	-	100.0	-	-
	December	100.5	0.5	-	100.5	0.5	-
1998	March	101.2	0.6	-	101.2	0.6	-
	June	101.0	-0.2	-	101.0	-0.2	-
	September	101.8	0.8	1.8	101.9	0.9	1.9
	December	101.9	0.1	1.4	102.0	0.1	1.5
1999	March	102.7	0.8	1.5	103.0	0.9	1.8
	June	102.9	0.2	1.8	103.2	0.2	2.1
	September	103.0	0.1	1.2	103.2	0.0	1.2
	December	102.9	-0.1	1.0	103.2	0.0	1.2
2000	March	102.8	-0.1	0.1	103.0	-0.2	0.0
	June	102.5	-0.2	-0.3	102.8	-0.1	-0.3
	September	103.1	0.6	0.1	103.3	0.5	0.1
	December	103.7	0.5	0.7	103.9	0.5	0.6
2001	March	103.5	-0.2	0.7	103.8	-0.1	0.8
	June	103.3	-0.2	0.7	103.6	-0.2	0.7
	September	104.2	0.9	1.0	104.4	0.8	1.0
	December	103.9	-0.3	0.2	104.2	-0.2	0.3

Source: ABS – Wage Cost Index, Consumer Price Index.

CHART 20

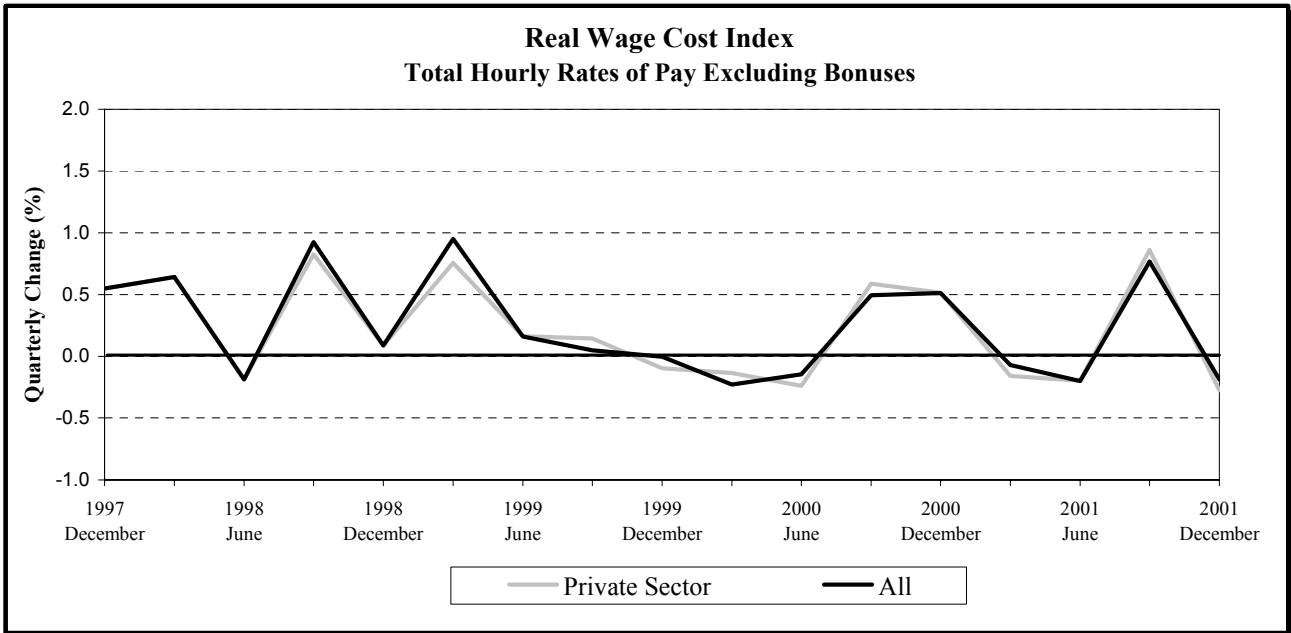


TABLE 21

GDP Market Sector
Chain Volume Measures 1999-2000
Trend

		GDP Market Sector (\$m)	Percentage Change	
			Quarterly	Annual
1993	March	73,660	1.2	3.7
	June	74,198	0.7	4.0
	September	74,804	0.8	4.0
	December	75,841	1.4	4.1
1994	March	77,278	1.9	4.9
	June	78,547	1.6	5.9
	September	79,264	0.9	6.0
	December	79,580	0.4	4.9
1995	March	79,954	0.5	3.5
	June	80,739	1.0	2.8
	September	82,093	1.7	3.6
	December	83,433	1.6	4.8
1996	March	84,367	1.1	5.5
	June	85,080	0.8	5.4
	September	85,625	0.6	4.3
	December	86,171	0.6	3.3
1997	March	86,914	0.9	3.0
	June	87,912	1.1	3.3
	September	89,214	1.5	4.2
	December	90,432	1.4	4.9
1998	March	91,314	1.0	5.1
	June	92,281	1.1	5.0
	September	93,626	1.5	4.9
	December	95,088	1.6	5.1
1999	March	96,376	1.4	5.5
	June	97,502	1.2	5.7
	September	98,771	1.3	5.5
	December	100,400	1.6	5.6
2000	March	101,824	1.4	5.7
	June	102,115	0.3	4.7
	September	101,386	-0.7	2.6
	December	100,554	-0.8	0.2
2001	March	100,783	0.2	-1.0
	June	101,781	1.0	-0.3
	September	102,981	1.2	1.6

Source: ABS - National Income, Expenditure and Product.

CHART 21

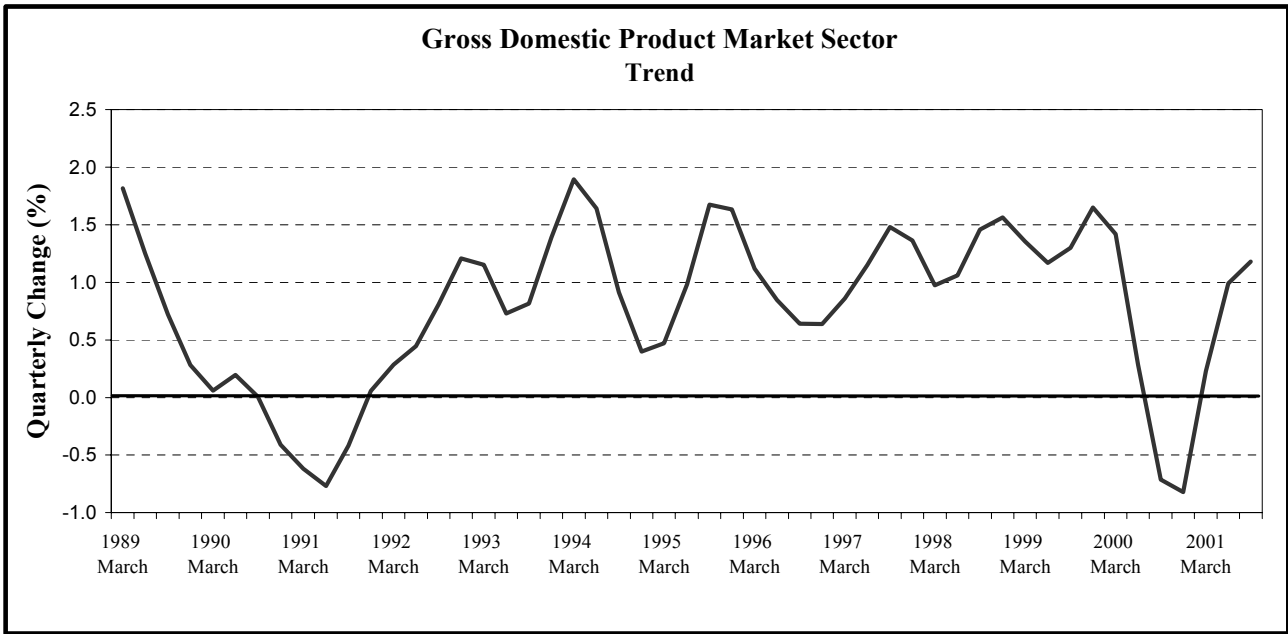


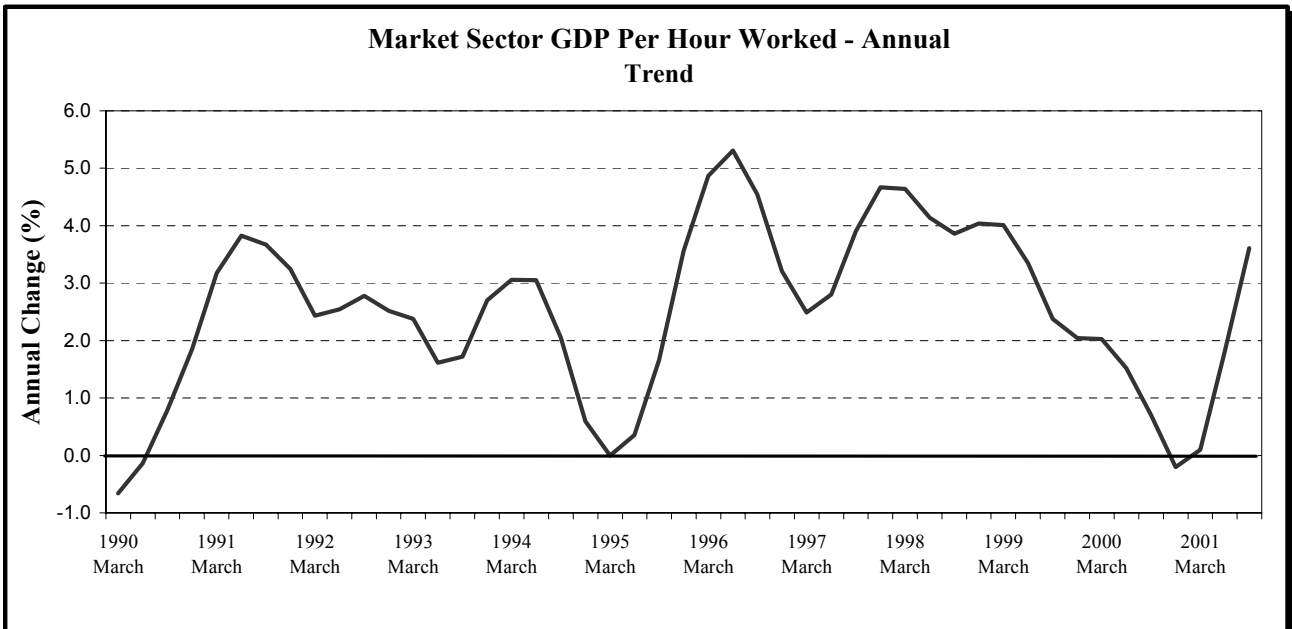
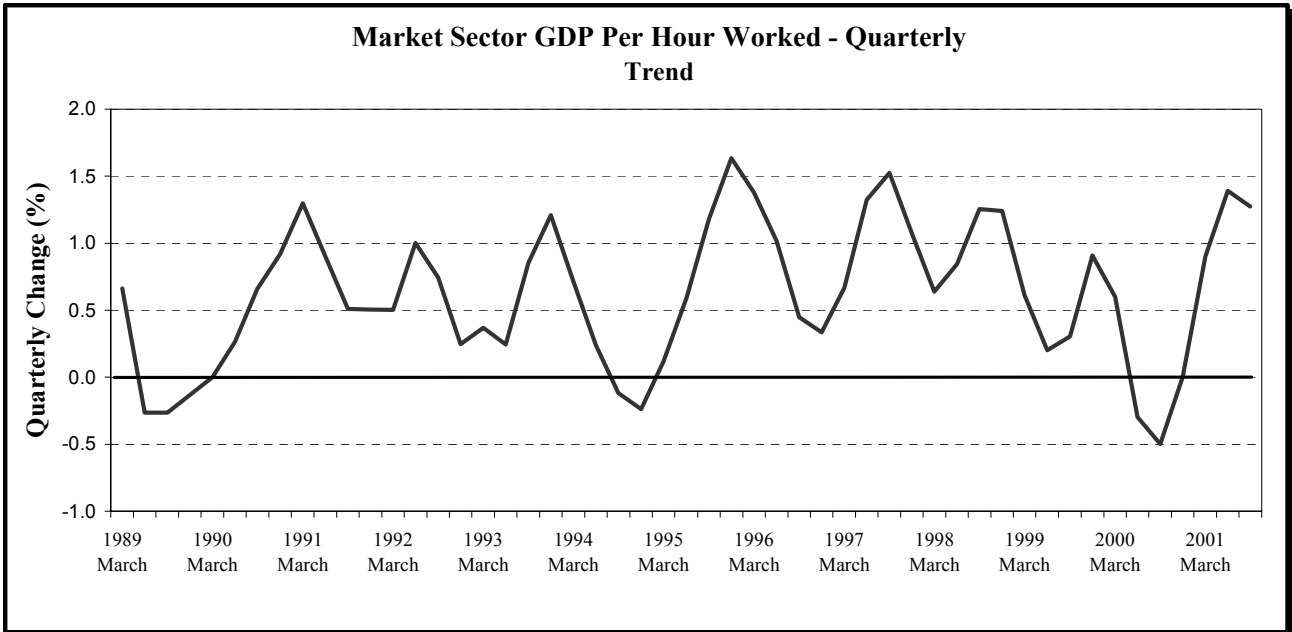
TABLE 22

GDP Per Hour Worked Market Sector
Chain Volume Measures 1999-2000
Trend

	GDP Market Sector (\$)	Hours Worked	GDP Per Hour	Percentage Change	
				Quarterly	Annual
1993 March	73,660	89.4	81.8	0.4	2.4
June	74,198	89.8	82.0	0.2	1.6
September	74,804	89.7	82.7	0.9	1.7
December	75,841	89.9	83.7	1.2	2.7
1994 March	77,278	90.9	84.3	0.7	3.1
June	78,547	92.3	84.5	0.2	3.0
September	79,264	93.2	84.4	-0.1	2.1
December	79,580	93.8	84.2	-0.2	0.6
1995 March	79,954	94.1	84.3	0.1	0.0
June	80,739	94.5	84.8	0.6	0.4
September	82,093	95.0	85.8	1.2	1.7
December	83,433	94.9	87.2	1.6	3.6
1996 March	84,367	94.7	88.4	1.4	4.9
June	85,080	94.6	89.3	1.0	5.3
September	85,625	94.7	89.7	0.4	4.5
December	86,171	95.0	90.0	0.3	3.2
1997 March	86,914	95.1	90.6	0.7	2.5
June	87,912	95.1	91.8	1.3	2.8
September	89,214	95.0	93.2	1.5	3.9
December	90,432	95.3	94.2	1.1	4.7
1998 March	91,314	95.6	94.8	0.6	4.6
June	92,281	95.8	95.6	0.8	4.1
September	93,626	95.9	96.8	1.3	3.9
December	95,088	96.3	98.0	1.2	4.0
1999 March	96,376	97.0	98.6	0.6	4.0
June	97,502	98.0	98.8	0.2	3.3
September	98,771	98.9	99.1	0.3	2.4
December	100,400	99.7	100.0	0.9	2.0
2000 March	101,824	100.5	100.6	0.6	2.0
June	102,115	101.0	100.3	-0.3	1.5
September	101,386	100.8	99.8	-0.5	0.7
December	100,554	100.0	99.8	0.0	-0.2
2001 March	100,783	99.3	100.7	0.9	0.1
June	101,781	98.9	102.1	1.4	1.8
September	102,981	98.8	103.4	1.3	3.6

Source: ABS - National Income, Expenditure and Product.

CHART 22



Tag 2: A Discussion of ACCI's Business Barometer™

Excerpted from ACCI's Economic Submission to the Safety Net

February 2001

What the barometer does is provide a contemporary measure of economic activity that provides an indication of the state of the economy and its current trends that is almost entirely contemporary with the present.

It is because of this gap in the state of our knowledge that business surveys were designed. Their aim is to provide an early indication of the state of the economy and of its various components. While such surveys are less comprehensive than the national accounts, their advantage is that they focus on conditions within the private sector and their results are almost immediately available.

The private sector aspect is of major importance. While the design of the National Accounts is based on expenditure, the structure of business surveys focuses instead on production. While GDP is supposed to measure value added, there are many extraneous elements in its composition, from public sector outlays on valueless forms of government spending to the estimated productivity of non-market transactions such as the value added of owner occupied homes. The intention is to estimate the level of production but the actual result is not as easily interpreted as it is often assumed.

Business surveys are more straightforward. They generally avoid providing dollar values and instead concentrate on whether there has been an increase in some area of activity, a decrease or no movement at all.

In understanding the barometer, it is important to appreciate that business surveys provide up-to-the-minute estimates of the actual state of the economy. The time differential between sending out survey questionnaires and putting the results into the public arena is generally less than a month. Most survey results

have been gathered within a fortnight of their actual date of publication. If properly conducted they provide information about things as they are which are essential for the proper management of our economic affairs.

What is needed is a measure of the current state of the economy which indicates the present level of activity as well as its present trends. To provide such a measure, ACCI has developed its Business Barometer™ which is built from a composite of the three national economic surveys it conducts. These surveys are:

- . the ACCI/Westpac Survey of Industrial Trends
- . the National Survey of Business Expectations
- . the Survey of Investor Confidence.

In constructing the barometer, each of these surveys provides measures of current economic conditions in a number of significant areas of the economy. Most importantly, the three surveys provide data on current business conditions, which is a coincident indicator, investment, which is generally a leading indicator, and employment, which tends to lag.

Each of the measures in each of the surveys was converted into an index. These separate indexes were then converted into a composite index that can range from 0 to 100. Therefore, when interpreting the data an index level of 50.0 indicates that there is a balance between those who responded that conditions were improved and those that replied that conditions had declined. Thus any level below 50 indicates that conditions are deteriorating, and conversely, a reading above 50 indicates conditions on average are improving.

For the period from March 1966 through until October 1997, the barometer is comprised exclusively of the data from the *ACCI/Westpac Survey*. Since October 1997, however, each quarter is comprised of the results of the three

surveys conducted by ACCI so that as each additional observation of the economy is made, these can be incorporated into the barometer.

But as with any set of time series data, the barometer is made up of random, seasonal, trend and cyclical components. What we are looking for are the current trends in actual conditions because it is these which genuinely matter. The seasonal and random factors can obscure present conditions and it is therefore imperative to remove their influence before examining the data. Therefore, the final data as presented are the trend data.

There are two aspects to the data as presented by the barometer. Firstly, by looking at the level of the barometric reading one can make judgements about the state of the economy. The higher the barometer is above 50, the better economic conditions are. Similarly, the lower the barometer is below 50, the worse one would say conditions have become.

Thus, one can distinguish between the periods of strong economic performance and those in which it has been weak. The higher the barometer has become, the relatively more robust the economy was measured to have been at the time.

Secondly, the movements between quarters provide a measure of current economic trends. If each quarterly reading is higher than the quarter before, then the appropriate interpretation would be that the economy is improving. And if each subsequent reading is lower than in the previous period, then one would conclude that the economy was slowing relative to its previous level.

Measuring the Past

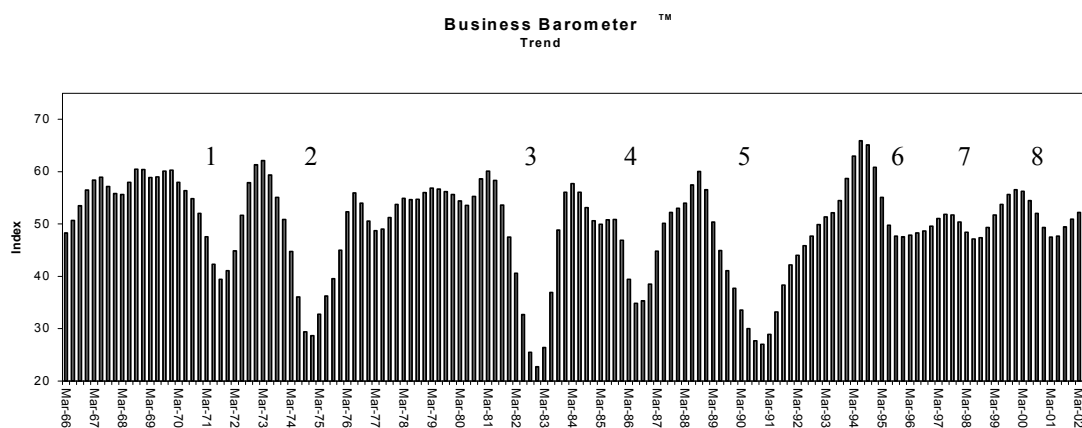
Although the barometer was only introduced in 2001, because of the form of its composition it already has a 35-year history stretching back to 1966. It is therefore possible to test the accuracy of its construction by looking at its historical record. If it provides an accurate reading of past movements in the

economy, there is strong reason to be confident that it will continue to estimate the economy's relative strength between periods and its trends into the future.

The graph showing the barometer provides the contours of the economy over the past third of a century. It shows the periods of relative strengths and weakness. But what is evident are the deep pockets where the barometer has fallen sharply indicating a downturn in economic activity. It is in an examination of these periods that the value of the barometer becomes clearly visible.

The eight periods of economic downturn date the trough of each cycle and provide a measure of the relative weakness of the economy in each period. These eight downturns and the low point of the cycle are shown below. A brief explanation of the causes of the downturn is also given.

- *Number 1*: June 1971 – RBA credit tightening
- *Number 2*: December 1974 – wage explosion, first oil shock
- *Number 3*: December 1982 – 38-hour week and second oil shock
- *Number 4*: June 1986 – return to wage indexation and fall in the terms of trade
- *Number 5*: December 1990 – RBA credit tightening
- *Number 6*: December 1995 – RBA credit tightening
- *Number 7*: June 1998 – Asian crisis
- *Number 8*: March quarter 2001 – RBA credit tightening



This presents an account of every downturn and locates the trough to when most observers would agree the trough actually occurred. The depth shown in the barometer also provides an accurate indication of the relative magnitude of the downturn that occurred.

Comparison with Employment Data

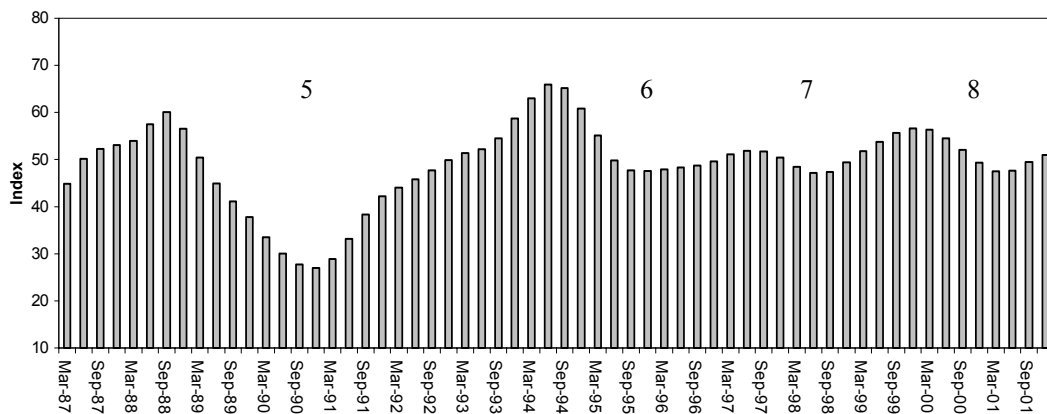
It is an important confirmation of the validity of the barometer that fluctuations in the economy itself are reflected in changes in the index. The close connection between movements in the barometer and movements in what the ABS tells us about the economy is necessary if we are to use the barometer to measure the state of the national economy. A look at the overlap between the survey data embodied in the barometer and the economy overall brings out how close this relationship is.

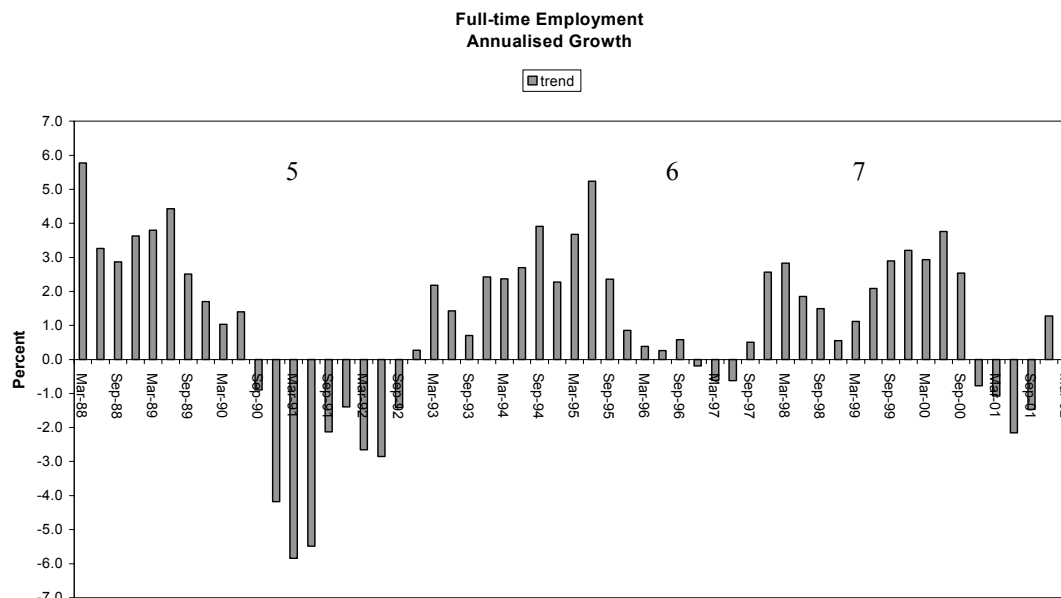
The two charts below show the movement in the barometer and the movement in full-time employment. The employment measure is the annualised quarterly growth rate based on the trend data.

What is clear is that even though the employment data is more volatile, the movement in employment growth and the contours of the barometer closely match, although the slowing in employment tends to come with a delay.

For each of the slowdowns identified in the barometer there is a matching slowdown which occurs in employment growth. The massive downturn in the barometer during the early 1990s is seen in the massive contraction in employment which occurred over the same period. There is a similar slowdown in full-time employment following the raising of rates in 1994 and this too mirrors the downwards movement in the barometer. It is also clear that the Asian crisis was reflected in both the downwards movement in the barometer and in the growth rate of full-time employment. And then, finally, the present period has shown both a fall in the barometer and a fall in the growth in the number of full-time jobs, although with a slight delay between the economy beginning to slow and the growth rate of employment beginning to fall.

Business Barometer™
Trend





Interpreting Current Economic Conditions

The barometer is designed to portray current conditions with next to no delay. In the March quarter, the *Survey of Investor Confidence* was released in January and the *National Survey of Business Expectations* was released in February. Not until the *ACCI/Westpac Survey* is released in March will the full data for the current quarter be complete. Nevertheless, we now have a measure of activity in the private sector for the March quarter which shows present trends and is a leading indicator of the ABS data on full-time employment.

As the first chart shows, activity levels have now begun to rise but this rise only means that conditions have begun to improve from the low levels reached at the beginning of last year and does not imply that activity is strong. Now is not the time to be significantly raising wages, since an increase in wages will only slow economic recovery and prolong the weak labour market conditions.

It is good to see that full-time employment has been increasing for two quarters but it must still be born in mind that these increases have come after a prolonged

decline. Full-time employment remains well below the peak reached in the September quarter of 2000.

Also of note is that private investment has not responded adequately to the reductions in the rate of interest of the last year and of particular concern is that there is a general recognition that rates have reached bottom and will begin to rise later in the year. Spurring the move to higher rates in the money market is the recent CPI numbers which may not allow the Reserve Bank of Australia any leniency to keep rates low if they perceive that inflation will become a problem.

The perception that rates will rise may in turn cause business to reevaluate investment decisions with the additional costs that will come from higher interest rates, even though rates remain at a relatively low level today. The importance of investment is that it is only through innovation and investment that higher living standards in the future can be created and productivity increased.

The slowdown in the international economy has caused international demand to slow over the year which can be seen from the slow down in Australian exports. The international slowdown though it may have come to an end means only that conditions are not getting worse rather than suggesting that conditions are again improving as they did through the 90's.

It should be remembered that safety net wage adjustments have played a part in slowing the labour market growth relative to the levels of improvement that might have otherwise been achieved. Raising award wages on an across-the-board basis must inevitably cost some employees their jobs or prevent others, who might have found work, from gaining employment.

There are some who argue that the effects on employment of raising the minimum wage are small but no one would argue that they are non-existent. As the Australian system of wage adjustment affects more than those at the bottom

of the pay scale, but is paid across the entire awards classification system, and may indeed also have significant flow on effects, the effect of higher wages costs are consequently larger. The slow down in the economy and the past increases in award rates ensures that more people lost their jobs or failed to find them than would otherwise have been the case had award rates not been raised to the extent they were.

Tag 3: Social Monitor Article

Tag 4: Minimum Wages Article

Tag 5: Questionnaire (SIC)

THE PHARMACY GUILD OF AUSTRALIA (27)
AND THE AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY

SURVEY OF INVESTOR CONFIDENCE

THIS QUESTIONNAIRE WILL TAKE ONLY FIVE MINUTES TO COMPLETE

Most respondents to this survey should by now be familiar with its format. It is a survey which is designed to be filled in quickly and easily. But in replying to this questionnaire you will have helped us put the views of the business community to Government, public servants, industrial relations tribunals and the community at large. Your participation in this survey is important to its overall success. Please take the time to fill out this questionnaire. All returns will be kept strictly confidential.

Please send completed returns by **September 28** to:

Survey of Investor Confidence
ACCI
PO Box E14
Kingston, ACT 2604

Alternatively, completed forms may be faxed to us on:

02 - 6273 - 3286

* * * *

ENTERPRISE DETAILS

1. In which industry sector is your enterprise **primarily** involved?

Agriculture/Forestry	1
Mining	2
Manufacturing	3
Construction	4
Wholesale/Retail	5
Accommodation Cafes and Restaurants	6
Transport and Storage.....	7
Communication Service.....	8
Finance Insurance Property Business Services...	9
Education.....	10
Health and Community Services.....	11
Cultural Recreational Personal and Other Services	12

2. Number of employees covered by this return: _____

3. State or Territory in which most employees are employed _____

PART A
THE AUSTRALIAN ECONOMY

In this section please provide your assessment of the **Australian economy**.

1. How would you describe current business conditions in Australia?

WHERE IT IS		WHERE IT'S GOING	
Excellent	___ (1)		
Very good	___ (2)	Improving Rapidly	___ (1)
Good	___ (3)	Improving Slowly	___ (2)
Satisfactory	___ (4)	No change	___ (3)
Poor	___ (5)	Deteriorating Slowly	___ (4)
Very poor	___ (6)	Deteriorating Rapidly	___ (5)
Deeply depressed	___ (7)		

2. How would you describe the climate for investment in plant and capital equipment at the present time?

WHERE IT IS		WHERE IT'S GOING	
Excellent	___ (1)		
Very good	___ (2)	Improving Rapidly	___ (1)
Good	___ (3)	Improving Slowly	___ (2)
Satisfactory	___ (4)	No change	___ (3)
Poor	___ (5)	Deteriorating Slowly	___ (4)
Very poor	___ (6)	Deteriorating Rapidly	___ (5)
Deeply depressed	___ (7)		

3. Over the next twelve months what do you think will happen to economic growth as measured by Gross Domestic Product (GDP).

Economic growth will be:	much higher than at present.	___ (1)	
	somewhat higher than at present.	___ (2)	
	about the same as at present.	___ (3)	
	somewhat lower than at present.	___ (4)	
	much lower than at present.	___ (5)	

4. Over the next twelve months what do you think will happen to investment growth in plant and capital equipment?

Investment growth will be:	much higher than at present.	___ (1)	
	somewhat higher than at present.	___ (2)	
	about the same as at present.	___ (3)	
	somewhat lower than at present.	___ (4)	
	much lower than at present.	___ (5)	

PART B - YOUR OWN BUSINESS

The questions in this section refer to conditions **within your own business**.

1. Generally speaking, how would you describe the state of your own business?

WHERE IT IS		WHERE IT'S GOING	
Excellent	___ (1)	Improving Rapidly	___ (1)
Very good	___ (2)	Improving Slowly	___ (2)
Good	___ (3)	No change	___ (3)
Satisfactory	___ (4)	Deteriorating Slowly	___ (4)
Poor	___ (5)	Deteriorating Rapidly	___ (5)
Very poor	___ (6)		
Deeply depressed	___ (7)		

2. How would you describe the level of sales in your own business?

WHERE IT IS		WHERE IT'S GOING	
Excellent	___ (1)	Improving Rapidly	___ (1)
Very good	___ (2)	Improving Slowly	___ (2)
Good	___ (3)	No change	___ (3)
Satisfactory	___ (4)	Deteriorating Slowly	___ (4)
Poor	___ (5)	Deteriorating Rapidly	___ (5)
Very poor	___ (6)		
Deeply depressed	___ (7)		

3. How would you describe the level of profitability of your own business?

WHERE IT IS		WHERE IT'S GOING	
Excellent	___ (1)	Improving Rapidly	___ (1)
Very good	___ (2)	Improving Slowly	___ (2)
Good	___ (3)	No change	___ (3)
Satisfactory	___ (4)	Deteriorating Slowly	___ (4)
Poor	___ (5)	Deteriorating Rapidly	___ (5)
Very poor	___ (6)		
Deeply depressed	___ (7)		

4. Looking ahead to the next six months, what is your expectation of the level of production/activity in your own business in comparison with the last six months?

Much higher	___ (1)
Somewhat higher	___ (2)
About the same	___ (3)
Somewhat lower	___ (4)
Much lower	___ (5)

5. Looking ahead to the next six months, what is your expectation for investment in plant and capital equipment within your own business in comparison with the last six months?

Much higher _____ (1)
 Somewhat higher _____ (2)
 About the same _____ (3)
 Somewhat lower _____ (4)
 Much lower _____ (5)

6. Looking ahead to the next six months, what is your current expectation of the number of full time employees in your own business?

Much higher _____ (1)
 Somewhat higher _____ (2)
 About the same _____ (3)
 Somewhat lower _____ (4)
 Much lower _____ (5)

7. In relation to expected demand over the next six months, how would you describe your current capacity?

More than adequate _____ (1)
 Adequate _____ (2)
 Less than adequate _____ (3)

8. Looking back over the past six months, how would you describe your actual level of sales in comparison with the level of sales which you had originally expected?

Sales were: **much higher** than expected _____ (1)
somewhat higher than expected _____ (2)
around the level expected _____ (3)
somewhat lower than expected _____ (4)
much lower than expected _____ (5)

9. Looking back over the past six months, how would you describe your actual level of profitability in comparison with the level of profitability which you had originally expected?

Profits were: **much higher** than expected _____ (1)
somewhat higher than expected _____ (2)
around the level expected _____ (3)
somewhat lower than expected _____ (4)
much lower than expected _____ (5)

CONSTRAINTS ON INVESTMENT

Using the following scale from 1-5, please indicate the extent to which each of the following factors represents a **constraint** on your level of **investment in plant and capital equipment** at the present time.

No constraint or not applicable	1 = No effect on investment whatsoever
Slight constraint	2
Moderate constraint	3
Large constraint	4
Critical constraint	5 = Causing a major reduction in investment

	Moderate	Large	Critical	None	Slight
LABOUR RELATED CONSTRAINTS					
Wage costs	1	2	3	4	5
Non-wage labour costs (ie on-costs)	1	2	3	4	5
Resistance to workplace change from:					
Unions	1	2	3	4	5
Employees in general	1	2	3	4	5
Availability of suitably qualified employees	1	2	3	4	5
Availability of training facilities	1	2	3	4	5
FINANCIAL CONSTRAINTS					
Current Levels of Debt	1	2	3	4	5
Cost of Finance					
Interest rates	1	2	3	4	5
Charges made by lending institutions	1	2	3	4	5
Availability of Finance					
Raising loans from financial institutions	1	2	3	4	5
Raising equity capital	1	2	3	4	5
Insufficient retained earnings	1	2	3	4	5
MACROECONOMIC CONSTRAINTS					
Insufficient demand	1	2	3	4	5
Local competition	1	2	3	4	5
Import competition	1	2	3	4	5
Exchange rate too high	1	2	3	4	5
PUBLIC SECTOR CONSTRAINTS					
Federal Government regulations	1	2	3	4	5
State Government regulations	1	2	3	4	5
Local Government regulations	1	2	3	4	5
Business taxes and government charges	1	2	3	4	5

Safety Net

In its decision in May 2001, the Industrial Relations Commission granted safety net increases of \$13 for employees on award wages up to \$490 per week, a \$15 increase for award employees earning between \$490 and \$590 per week and a \$17 increase for employees earning more than \$590 per week. The minimum wage was raised from \$400.40 to \$413.40 by the same decision. The questions below seek information on the effect that these increases had on your business.

In answering these questions, it is important to be able to distinguish increases granted as a result of the safety net decision from increases granted for other reasons. Please, therefore, answer the questions as carefully as possible.

1. Did any of your employees receive an increase in wages **directly** because of the Safety Net decision?

Yes No

2. According to the safety net decision, the increases granted were to be absorbed into overaward payments. Did you nevertheless raise the wages of *any* employees **receiving overaward payments** because of the increases granted even though you were not compelled to do so by the decision?

Increased wages of employees on overawards because of safety net decision

Did not increase wages of employees on overawards because of safety net decision

3. Did you raise the wages of *any* **non-award employees** because of the increases granted to award employees in the safety net decision?

Increased wages of non-award employees because of safety net decision

Did not increase wages of non-award employees because of safety net decision

4. Did the increases in the Safety Net have any effect on the level of employment in your own firm?

The number of employees was **higher** than it otherwise would have been

There was **no effect** on employment

The number of employees was **lower** than it otherwise would have been

5. Did the increases in the Safety Net have any effect on the level of **full-time employment** in your own firm?

The number of full-time employees was **higher** than it otherwise would have been

There was **no effect** on full-time employment

The number of full-time employees was **lower** than it otherwise would have been

6. As a result of the Safety Net decision did you reduce the number of full-time employees and increase the number of part-time or casual employees.

Yes No

Tag 6: ACCI Survey & Results

Survey on the Safety Net

Weighted Full Survey Results

As a direct result of the Safety Net decision,
did any of your employees receive an increase in wages

	Percent
RECEIVED SAFETY NET INCREASE	
Yes	42.2
No	57.8

As a direct result of the Safety Net decision,
Did you raise the wages of any employees receiving overaward payments?

	Percent
FLOW ON TO OVERAWARD EMPLOYEES	
Yes	30.4
No	69.6

As a direct result of the Safety Net decision,
did you raise the wages of any non-award employees?

	Percent
FLOW ON TO NON-AWARD EMPLOYEES	
Yes	18.8
No	81.2

Did the increases in the Safety Net
have any effect on employment in your firm?

	Percent
EFFECT ON EMPLOYMENT	
The number of employees was higher than it otherwise would have been	0.0
There was no effect on employment	91.8
The number of employees was lower than it otherwise would have been	8.1

Did the increases in the Safety Net
have any effect on full-time employment in your firm?

	Percent
EFFECT ON FULL-TIME EMPLOYMENT	0.0

	Percent
The number of full-time employees was higher than it otherwise would have been	
There was no effect on full-time employment	93.3
The number of full-time employees was lower than it otherwise would have been	6.7

As a result of the Safety Net decision,
 did you reduce the number of full-time employees
 and increase the number of part-time or casual employees?

	Percent
REDUCED FULL-TIME AND INCREASED PART-TIME	
Yes	2.0
No	98.0

Survey on the Safety Net

Firms Where No Employee Received a Safety Net Increase

As a direct result of the Safety Net decision,
 did any of your employees receive an increase in wages?

	Percent
RECEIVED SAFETY NET INCREASE	100.0

	Percent
No	

As a direct result of the Safety Net decision,
did you raise the wages of any employees receiving overaward payments?

	Percent
FLOW ON TO OVERAWARD EMPLOYEES	
Yes	6.6
No	93.4

As a direct result of the Safety Net decision,
did you raise the wages of any non-award employees?

	Percent
FLOW ON TO NON-AWARD EMPLOYEES	
Yes	8.6
No	91.4

Did the increases in the Safety Net
have any effect on employment in your firm?

	Percent
EFFECT ON EMPLOYMENT	
There was no effect on employment	98.0
The number of employees was lower than it otherwise would have been	2.0

Did the increases in the Safety Net
have any effect on full-time employment in your firm?

	Percent
EFFECT ON FULL-TIME EMPLOYMENT	
There was no effect on full-time employment	97.4
The number of full-time employees was lower than it otherwise would have been	2.6

As a result of the Safety Net decision,
did you reduce the number of full-time employees
and increase the number of part-time or casual employees?

	Percent
REDUCED FULL-TIME AND INCREASED PART-TIME	
Yes	3.3
No	96.7

Survey on the Safety Net

Firms Where Employees Did Receive a Safety Net Increase

As a direct result of the Safety Net decision,
did any of your employees receive an increase in wages?

	Percent
RECEIVED SAFETY NET INCREASE	
Yes	100.0

As a direct result of the Safety Net decision,
did you raise the wages of any employees receiving overaward payments?

	Percent
FLOW ON TO OVERAWARD EMPLOYEES	
Yes	49.5
No	50.5

As a direct result of the Safety Net decision,
did you raise the wages of any non-award employees?

	Percent
FLOW ON TO NON-AWARD EMPLOYEES	
Yes	37.0
No	63.0

Did the increases in the Safety Net
have any effect on employment in your firm?

	Percent
EFFECT ON EMPLOYMENT	
The number of employees was higher than it otherwise would have been	1.0
There was no effect on employment	82.3
The number of employees was lower than it otherwise would have been	16.7

Did the increases in the Safety Net
have any effect on full-time employment in your firm?

	Percent
EFFECT ON FULL-TIME EMPLOYMENT	
The number of full-time employees was higher than it otherwise would have been	0.5
There was no effect on full-time employment	83.3
The number of full-time employees was lower than it otherwise would have been	16.2

As a result of the Safety Net decision,
did you reduce the number of full-time employees
and increase the number of part-time or casual employees?

	Percent
REDUCED FULL-TIME AND INCREASED PART-TIME	
Yes	15.7
No	84.3

Results of Survey on the Safety Net

It has been a constant refrain of the ACTU that the increases granted as part of the Safety Net cost no one their jobs and do not flow on from those paid the minimum award rate either into the overawards or into non-award system. For example, in its written submission to this case, the ACTU stated on page 105:

“There is simply no evidence that recent Safety Net increases have had any adverse impact on employment.”

It is also an assumption of the ACTU that the effect of the increases granted do not flow on into other increases which is why it attempts to isolate the increases granted through these proceedings from the increases received in all other sectors of the economy.

As part of its regular surveys of the business community, ACCI attached as part of its Survey of Investor Confidence in September 2001 a series of questions dealing with the Safety Net. The entire survey is Attached at Tag XX and the questions dealing with the safety net are found on the final page.

The first paragraph of the questionnaire provided background information about the decision in the Safety Net case in 2001. What it stated was the following:

“In its decision in May 2001, the Industrial Relations Commission granted safety net increases of \$13 for employees on award wages up to \$490 per week, a \$15 increase for award employees earning between \$490 and \$590 per week and a \$17 increase for employees earning more than \$590 per week. The minimum wage was raised from \$400.40 to \$413.40 by the same decision. The questions below seek information on the effect that these increases had on your business.

This simply stated what had been granted as part of the Safety Net in 2001. The second paragraph of this introductory section sought to ensure that that answers to the questions were restricted only to the effects of the Safety Net itself. What this second stated was this:

“In answering these questions, it is important to be able to distinguish increases granted as a result of the safety net decision from increases granted for other reasons. Please, therefore, answer the questions as carefully as possible.”

We made it clear that in answering these questions that it was critical that respondents distinguish increases granted as a result of the Safety Net from increases granted for any other reason. We asked, as can be seen, that the questions be answered as carefully as possible so that increases granted for other reasons were distinguished from increases granted because of the decision in the Safety Net case.

The first question then asked was whether any employees had received an increase directly because of the Safety Net decision. The question was worded as shown below.

“Did any of your employees receive an increase in wages **directly** because of the Safety Net decision?”

Note that the word “directly” was emphasized in the question to ensure that respondents understood that only if their business had employees who received an increase as a specific consequence of the decision should they reply in the affirmative.

The second question then asked about whether the increases granted to those paid exactly the relevant award wage flowed onto employees receiving overaward payments. The wording of the question is shown below:

“According to the safety net decision, the increases granted were to be absorbed into overaward payments. Did you nevertheless raise the wages of any employees **receiving overaward payments** because of the increases granted even though you were not compelled to do so by the decision?”

It was made clear in the question that only employees who were not entitled to receive an increase should be included as employees who had received an overaward increase because of the Safety Net. If there were any such employees, the answer was to be in the affirmative. If no employees on overawards had received such increases, then the reply was to be in the negative.

The next question asked about non-award employees. It didn’t ask about all employees, only whether any at all had received an increase because of the Safety Net decision. The wording of the question is shown below:

“Did you raise the wages of any **non-award employees** because of the increases granted to award employees in the safety net decision?”

The next question asked about the effect on the level of employment of having granted the increases that were granted as a result of the Safety Net decision. This question was worded as follows:

“Did the increases in the Safety Net have any effect on the level of employment in your own firm?”

Question 5 then went on to ask about the effect on full-time employment. The question reads:

“Did the increases in the Safety Net have any effect on the level of **full-time employment** in your own firm?”

Finally, the last question asked about whether there was a reduction in the number of full-time employees and increased number of part-time or casual employees. The question was worded in the following way:

“As a result of the Safety Net decision did you reduce the number of full-time employees and increase the number of part-time or casual employees?”

Thus, the questionnaire was worded in an entirely neutral way. Special care was taken to ensure that those responding to the questionnaire understood that the reason for wage increases, and the employment consequences that arose from having paid such increases, had to be carefully considered in answering each of the questions.

Turning then the results of the survey which are found in Tag XX. The results come in three sections. There is, firstly, the full weighted survey results, then the results in firms where no employee had received an increase through the award through the Safety Net, and then finally the results in those firms where the Safety Net was granted to some employees within that enterprise are shown.

Weighted Full Survey Results

The first section shows the weighted full survey results. We particularly draw attention to the fact that these data are weighted. All of the survey work that is done across the economy by ACCI is subject to the weighting process so that each firm within this sample does not take a disproportionately large or small place within the full framework of all the responses. The survey is weighted by industry and by size of firms.

The first question asks about whether any employees had received an increase in wages due to the Safety Net. The data show that across the economy 42.2% of

firms had at least one employee receiving a Safety Net increase while 57.8% had no employees receiving an increase through the Safety Net.

The second question then asks about the flow on of the Safety Net decision. The first area that is looked at is employees on overawards. These are employees who would not have received an increase directly as a result of the decision but only because it was decided within the firm to grant increases to its employees in tandem with those granted through the Safety Net.

The results show that 30.4% of businesses flowed the Safety Net increases onto overaward employees who were otherwise not entitled to that increase. Thus, across the economy, almost one third of businesses granted these increases to employees on the overaward.

The next question asked about the effect of the Safety Net on non-award employees. And what is shown by these results is that in 18.8% of firms the Safety Net was flowed onto non-award employees.

Thus, the data provide clear evidence that increases granted through the Safety Net do flow in a substantial way on to other employees, both those who are on awards and those who are not.

Turning then to look at the effects on employment, the questionnaire asked whether the Safety Net increases had had any effect on employment in respondent firms. The data show that in a negligible number of firms employment was higher than it otherwise would have been. In the majority of firms, the data then show, there was no effect on employment. However, in 8.1% of firms the number of employees was lower than it otherwise would have been.

This was then taken to the next stage in regard to full-time employment. What the data show was that again only in a negligible number of firms was the number of full-time employees higher than it otherwise would have been. Then in another 93.3% of firms, there was no effect on full-time employment. Finally, the data show that in 6.7% of firms, the number of full-time employees was lower than it otherwise would have been.

Finally the question was asked whether firms had reduced the number of full-time employees and increased the number of part-time or casual employees as a result of the increases granted through the Safety Net. What the data show was that in 2.0% of cases there was a reduction in full-time and an increase in part-time or casual employment. In the other 98.0% of firms there had been no change of this kind.

It is clear from these figures that the increases granted through the Safety Net do flow onto other employees and also lead to a lower number of employed persons because of the increases in costs involved. Thus, the effect of the decision is to increase the wages paid to employees well beyond the numbers targeted by the ACTU in its claim.

The increases stretch beyond the minimum awards area to those who are paid overawards and to those who are not even paid according to awards at all. Finally, the results show that there are negative implications for employment through granting these increases.

Firms Where Employees Did Not Receive a Safety Net Increase

The data have been subdivided between those in which employees in the firm did receive an increase through the Safety Net and those in which no employees received an increase through the Safety Net. The first set of data shows the proportion of businesses which did not have any award based employees receiving an increase in the Safety Net. That is why the first table shows 100% in this category.

We would also note that these figures are not weighted as were the previous figures. There is no data that allows one to work out the proportion of firms either by size of firm or by industry in which some employees received the Safety Net or in which, as this case, no employee received a Safety Net.

But as the second table shows, there was a flow on to overaward employees in 6.6% of firms even where there had been no employees on the award itself. Whether through formal or informal agreement with employees, or simply because of a desire to match the market, these businesses had chosen to grant increases to their employees they were not otherwise compelled to grant. Similarly, as the next table shows, 8.6% of firms flowed the Safety Net increase onto non-award employees.

Thus, even where there were no employees within the enterprise, some firms did choose to grant increases to their employees as a direct result of the decision in the Safety Net last year.

There was then the question of the effect on employment. What the survey results show was that in no firm did the increase in the Safety Net lead to an increase in employment and that in 98.0% of firms there was no effect on employment at all. The final figure show that in 2.0% of firms the number of employees was lower than it otherwise would have been.

The next table shows the effect on full-time employment. What the data show is that in 97.4% of firms there was no effect on the level of full-time employment, but in 2.6% of firms the level of full-time employment was lower than it otherwise would have been because of this decision.

Finally, the last table shows that in 3.3% of firms the effect of the increase granted through the Safety Net was to lead to a reduction in the number of full-time employees and an increase in the number of part-time employees.

Thus, even in firms where there was no direct relationship with any other employees there was still some flow on of the Safety Net and also some reduction in employment as a result.

Firms Where Employees Did Receive a Safety Net Increase

The final grouping is for firms where at least some employees received a Safety Net increase last year. That is why the figure for “yes” is 100.0%. These figures, too, are unweighted.

The question then is whether the increases granted through the Safety Net flowed on to other employees receiving overaward payments. What the data show is that in 49.5% of firms where the Safety Net was granted there was a flow on to employees receiving overaward payments. That is, in virtually half of all enterprises where the Safety Net was granted there was a flow on of the increase.

Given that in many firms there would be no employees on overaward payments but all would be paid the award rate, it can be seen that this flow on takes place in a considerable proportion of firms where any employees are paid according to the award.

The next question asks about whether non-award employees receive increases because of the Safety Net. Here we find that 37.0% of firms, where Safety Net increases were paid, flowed the Safety Net increase onto the wages of non-award employees.

Here, too, the proportion in which such a flow on had occurred is to some extent lower because many firms that do pay the Safety Net have no employees who are not paid according to the award either as an award payment or as an overaward. Nevertheless, 37.0% of firms did pass these increases onto such non-award employees.

The questionnaire then asked whether the wages increases granted as a result of the Safety Net decision had had any effect on employment in their firms. The

results shown on the table indicate that in 1.0% of firms, the number of employees was higher than otherwise would have been. Although this is a counterintuitive result, this kind of outcome could arise if an employer had expected an even larger increase than the one that was granted and therefore increased employment as a result of the actual decision handed down.

But what the data also show is that while for 82.3% of respondents there was no effect on the level of employment, in another 16.7% the effect on employment was that the numbers were reduced as a result of the wages increases granted because of the Safety Net.

The next question asked about the effect on full-time employment and here we find that in 0.5% of firms there was an increase in the number of full-time employees. Then in another 83.3% of firms there was no effect on full-time employment one way or the other. Finally, what is shown is that the number of full-time employees was lower than it otherwise would have been in 16.2% because of the increases granted as a result of the Safety Net decision.

The last question then asked whether as a result of the Safety Net increases granted did the firms reduce the number of full-time employees and increase the number part-time or casual employees. The survey results show that where the Safety Net was granted, there was a reduction in full-time and an increase in part-time and casual employees in 15.7% of firms.

Conclusion

These results should not be surprising. They are consistent with submission that ACCI has advanced for a number of years. They are the kinds of results that one would expect in a general kind of way if one did not have data providing an extra dimension of precision. What we find is that in firms where the Safety Net increases were not granted to any employees that there was some flow on of the Safety Net increase either into overawards or to non-award employees. The data also show that while there was an effect on the level of employment that that effect was minor.

But then amongst firms in which the Safety Net increases were granted to at least some employees as a direct result of the decision, we find that there is a large flow on of the increases to non-award and overaward employees.

It would be almost impossible to imagine this not being the case. The examples that we have provided in the past where two employees are working in similar areas where one received a Safety Net increase and the other does not would lead to immense tensions within the workforce. Similarly where an employee on an award has an increase it would almost invariably compel an employer who

had granted an overaward to another employee to at least match that increase. Again, the industrial relations implications of not granting increases to overaward and non-award employees when the Safety Net is increased are easy to imagine. The expectation would be that such increases would flow on.

Thus, all attempts to cost the claim that do not recognise the flow on of the Safety Net are a vast underestimate of the true costs to businesses and to the economy. The increases granted through the Safety Net are more consequential than just affecting the two million or so employees paid exactly the award. The decision puts a platform beneath the wages system in Australia that ensures that the cost of labour must continue to rise even where there has been no productivity growth to support those increases. The fact is that platform, that safety net, operates more extensively thus impact on award rates of pay.

It also ensures that the adjustment processes of the economy must begin from a higher base. The increases granted through the Safety Net are not granted in return for changes at the workplace level. They are granted simply because they are ordered to be paid. If one wants to attract new employees, or pay higher wages for increased skills, or reward employees for their tenure of employment, or do anything else that justifies paying a higher wage to a specific employee, one must first pay an amount at least equivalent to the Safety Net increase and then pay additional amounts over and above the Safety Net amount.

There is thus the platform put beneath the wages system that continues to drive the cost of labour upwards in an inflationary way and in a way which causes employment to grow more slowly than it otherwise would.

The second aspect of what these results have shown is that in firms where Safety Net increases are granted there are genuine and large employment consequences. The data show that in something like one firm in six there are fewer employees, and fewer full-time employees in particular, because of the decision. This is not at all an inconsiderable impact, when this conclusion is drawn across the economy.

It may be noted that the survey results do not say that there has been a fall of 16.7% in the number of employees. What it says is that the proportion of firms in which employment is lower than it otherwise would have been is 16.7%. But on anyone's estimation, this is a very large number of firms in which employee numbers could have been higher but for the increases granted as a result of the Safety Net.

It has been our contention from the beginning of this process that granting increases through the award system from top to bottom would lead to lower

employment levels. These results provide evidence that this is the case. The ACTU can no longer say there is no such evidence because now there is.

It is all very well for the ACTU to wish to do something to assist the low paid, and we are at one with the ACTU in seeking just that outcome. But our contention is that if we are to assist the low paid we can assist them most by raising productivity and in this way ensuring that real wages do rise. It is not the number of dollars that one receives that makes the difference in ones standard of living but the amount those dollars will buy.

Granting increases that add to inflation and reduce employment does not achieve the ends that the ACTU has in mind for the low paid. To the extent that increases granted through the Safety Net reduce the rate of growth in employment, then to that extent we are doing harm rather than good.

Just over a year ago we were wondering whether the unemployment rate would fall below 6%. Now, instead, the unemployment rate has breached the 7% mark at least according to the seasonally adjusted data. The labour market has slowed and while the main reason for that slowdown is due to other factors besides increases in the cost of labour, nevertheless it must be appreciated that some of that slowdown in the labour market is due to the increases that have been granted through the Safety Net. In any event, these proceedings are being conducted in an environment where the labour market has slowed, whatever the result may be.

The results of ACCI's survey of the Safety Net decision in 2001 demonstrate that granting increases in this way lead to higher and more widespread increases in the cost of labour than the ACTU believes and it leads to a greater slowdown in employment than it had considered. Given that these results demonstrate numerically what our judgement and submission have previously suggested, the Commission must accept these results for what they are, a clear statement of the dangers of across-the-board wage increases which occur without the benefit of increased productivity. Granting the ACTU claim in this case, which would lead to even larger increases than were granted in 2001, would lead to consequences at least as bad as those that have been catalogued in the survey results dealing with the Safety Net decision in 2001.

Tag 7: Minimum Wages and the Fallacy of the Inflated Denominator