

RBA Annual Conference on Low Wage Growth: Summary and Implications

1 September 2019

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- Low wages growth has been experienced in Australia and most other advanced economies following the GFC.
- As evidenced from discussions at the RBA's 2019 annual conference, which focussed on low wage growth, there is no clear consensus on the causes. However, some explanations are supported by stronger evidence than others, including the following (some of which are related):
 - A potential breakdown in the historical relationship between wages and productivity. It is also
 evident that the 'labour share' of firm income (or rent) has been declining. Technological
 innovation and globalisation are seen as potential drivers of this.
 - One factor that has been seen to be associated with lower wage growth is lower job switching rates, or declining labour market fluidity, which has been observed in the US and New Zealand. There is also evidence of this in Australia.
 - There has also potentially been a reduction in employee bargaining behaviour as more workers fear being displaced. Declining union membership is not seen as a driving factor.
 - There was also general consensus that economic cycles and the mining boom have played a role. This is evidenced by the fact that up until 2011 (when the sudden slowdown in wage growth occurred), real compensation was growing at a faster rate than productivity (termed the 'real wage overhang'). This higher labour share has since reversed in effect, firms are now 'clawing back' their share of rent and so wages can therefore be expected to grow more slowly for a period.
- It is therefore evident that some of the factors that have or are contributing to low wages growth are cyclical in nature (such as the 'clawback' in the labour share of rent by firms post-mining boom), while others could reflect more permanent structural change. The post-mining boom experience could also be masking structural factors.
- The conference did not specifically address the implications of the above for forecasting wage growth. Participants at the conference did note that in a number of countries, economic models are over-estimating wages growth. In two jurisdictions represented at the conference (New Zealand and South Korea), incorporating more adaptive expectations into its modelling (which implies that shocks in headline inflation are more persistent than they have been historically) has reduced forecast error.
- The conference did not examine this at a State level. The Queensland case seems particularly perplexing wages growth has proven more volatile in Queensland and the relativities compared to wages growth in Australia has varied over recent years. Queensland growth had spiked above the national average in the last couple of years but has fallen back in the most recent six months.
- Data such as the industry composition of the labour market provides no clear explanation as to the differences in wages growth between Queensland and Australia. For example, the RBA observed that wages growth has been weaker in Mining and stronger in Health Services, both of which account for a higher proportion of total employment in Queensland. We don't know to what extent these are offsetting each other.
- The Commonwealth Treasury observed that if the economy is in transition to a new equilibrium, the effect on wages growth should eventually become less pronounced. In the meantime, however, forecasting wages growth based on models that reflect historical relationships that may have now weakened (or are subject to new influences) could continue to result in forecast error.

1. Introduction

One of the key inputs that is used by the Motor Accident Insurance Commission (MAIC) in the CTP premium-setting process is a forecast of Queensland Average Weekly Earnings (AWE), which determines the economic gap, or the difference between AWE growth and the risk-free rate. To date, MAIC has relied on forecasts of QLD AWE produced by Deloitte Access Economics (DAE). It is evident that in recent years, these forecasts have been consistently 'overshooting' actual AWE. MAIC therefore remains concerned as to whether the DAE forecasts are appropriate for this purpose, which in turn requires an understanding of why they may be overstating future AWE growth and if and how this can be addressed. Advice from Taylor Fry has already been received on this, including potential alternatives to the DAE forecasts.

Low wages growth has not only been experienced in Australia – it has also been experienced in most other advanced economies following the Global Financial Crisis (GFC). In 2019 the Reserve Bank of Australia's (RBA's) annual conference focussed on low wages growth, bringing together representatives from central banks, industry and academia. The purpose was to understand the potential causes, effects and policy implications of low wages growth.

MAIC has requested a review of the RBA conference papers, examining the following:

- 1. An overview of discussions, on those topics that are of relevance to MAIC.
- 2. Are there any factors that might explain Queensland 'out-performance' relative to the broader theme of low wage growth?
- 3. Are there any factors that we need to consider in premium determination that are not being considered by Taylor Fry?
- 4. Any other material observations we should consider now, or into the future?

This is set out below. Items (3) and (4) are considered together as part of the implications for MAIC.

2. Overview of the RBA conference

This section summarises the key papers presented at the conference.

2.1 Observations on wages growth: the symptoms

The RBA observes that wages growth has been 'abnormally low' and this is evident across a range of measures, including the Wage Price Index (WPI) and average earnings. As evident from the following chart, the sudden fall in wages growth took the RBA and other economic forecasters by surprise, with the negative forecast error for wages growth also correlated with negative forecast error for inflation.

Figure 1 RBA WPI forecasts compared to actual



Wages growth has also been weaker than expected in other advanced economies.

The RBA made the following observations on what has happened:

- Wages growth has been the lowest in mining-exposed industries and states following strong growth during the mining boom.
- Wages growth has been the highest in household services such as health care, which
 also tends to be less responsive to changes in market conditions compared to other
 sectors.
- Between 2012 and 2016, much of the fall in wages growth reflected the declining size of wage increases, which was seen as a reduction in the 'large' wage rises (of more than four per cent) that were previously required to attract workers into the mining sector.
- The average frequency of wage changes has also declined, reflecting more wage freezes.

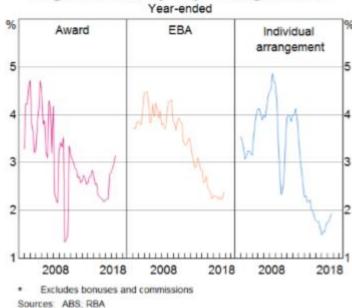
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Cassidy, N. (2019). Low Wages Growth in Australia, an Overview. Reserve Bank of Australia.

Graph 1 Wages Growth by Pay-setting Method* Year-ended **EBA** Award Individual

Decomposing wages growth by pay-setting method

Figure 2



Source: Bishop, J., & Cassidy, N. (2019). Wages Growth by Pay-setting Method, RBA Bulletin, June 2019, p.69.

As shown above, decomposing wages growth by pay-setting method provides some further insights that were discussed at the conference:2

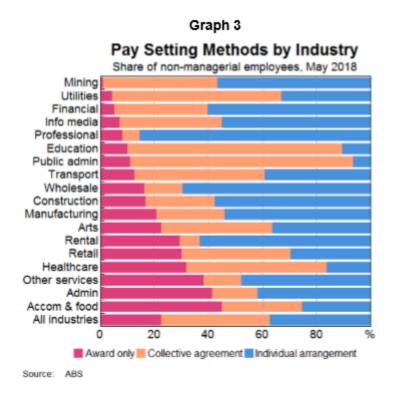
- Wages growth has been strongest for award-reliant workers following Fair Work Commission (FWC) decisions to increase award and minimum wages at a rate that was observed to be faster than average.
 - The FWC's Annual Wage Review can also affect wages for employees on individual arrangements or Enterprise Bargaining Agreements (EBAs). RBA analysis suggests around 12 per cent of wage changes for EBAs and eight per cent of wage changes for individual agreements are influenced by award decisions.
 - There has been an increase in the share of jobs on individual arrangements, as well as EBAs, that are linked to award decisions (the RBA estimates around 12 per cent and eight per cent respectively). FWC decisions therefore have some contribution to overall wages growth (although we note the impact is not large, given fewer workers are subject to award wage settlements and the influence on outcomes for workers on individual arrangements and EBAs is not material).
- Wages growth has been more stable for workers on EBAs, which in part, reflects government policies to keep wages growth at around 2½ per cent for public sector workers (accounting for around two-thirds of EBA employees). Within the private sector there have been long negotiation delays for EBAs, contributing to wage freezes.

Refer also: Bishop, J., & Cassidy, N. (2019). Wages Growth by Pay-setting Method, RBA Bulletin, June 2019.

- Average wage growth for EBAs responds relatively slowly to changes in market conditions given new agreements are typically only renegotiated every three years.
- However, wages growth in new EBAs provides some information on the likely future direction of average EBA growth.
- Workers on **individual agreements** have recently seen average wages growth of less than two per cent, after exceeding four per cent a decade ago.
 - Wages set by these agreements have been more responsive to the economic cycle and the Phillips Curve relationship (reflecting the inverse relationship between wages growth and the unemployment gap) is strongest for this pay-setting method. This sector accounts for much of the high frequency cyclical variation in the Wage Price Index.
 - The cyclical sensitivity of individual arrangements was particularly sensitive during the mining boom.
 - Workers in this sector have been frequently subject to wage freezes (rather than wage cuts) during periods of ample capacity. It is noted that wages growth for these arrangements has increased recently, two-thirds of which is attributed to a cessation of earlier wage freezes.

The following figure shows pay-setting method by industry (for Australia).

Figure 3 Pay-setting method by industry



Source: Bishop, J., & Cassidy, N. (2019). Wages Growth by Pay-setting Method, RBA Bulletin, June 2019, p. 71.

This shows that individual agreements dominate Professional, Scientific and Technical Services, Financial and Insurance Services, Wholesale Trade and Rental, Hiring and Real Estate Services. Collective agreements (EBAs) dominate Education, Public Administration,

Utilities and (to a lesser extent) Heath Care and Social Assistance. The Mining sector has just over 40 per cent on collective agreements and the balance on individual agreements.

Data from Kalb and Meeks was also presented on the distribution of wage growth amongst individuals (this study focussed on full-time workers only).³ Overall, full-time workers who had experienced higher wage growth since the GFC were younger and more highly educated, as well as casual contract workers. This study found that over half of employees' observed wage growth is explained by individual and job characteristics such as age and education. Workers with 'more cognitive, less routine' occupations had generally experienced higher wage growth.

The RBA states that while it has a good picture of the symptoms, the underlying causes are harder to determine. It is also evident that traditional relationships and explanations have not proven useful:⁴

...wages growth has been lower than can be explained together by measures of labour market spare capacity, inflation expectations and output price inflation, and the usual lags between these variables and wages growth. The persistence of these unexplained errors could be the result of many factors. It may be the case that there are longer lags between a pick up in labour market conditions and wages growth than has previously the case; the recent pick up in wages growth in other advanced economies could support this argument. It may also be the case that there is more spare capacity in the labour market than what is getting picked up in the measured unemployment gap. However, the Phillips curve framework is less useful for identifying the role that broader structural factors may have played in low wages growth outcomes in Australia or elsewhere.

2.2 Observations on wages growth: the causes

There was general consensus among conference participants that there are a number of possible causes. Analysis presented at the conference suggested support for some of the hypothesised causes, but not others.

2.2.1 Factors that may be contributing to low wages growth

A paper by the Commonwealth Treasury explored the link between wages and productivity.⁵ Consistent with the idea that firms 'share' increases in profits or rent with employees ('the labour share'), this analysis finds a link between individual wages and firm-level productivity in Australia from 2000-01 to 2015-16, with a ten per cent increase in productivity associated with a wage increase of around one per cent. They also find evidence that this pass-through may have declined from 2012, when the slow-down in wage growth was observed.

Having regard to this, one factor that has been seen to be associated with lower wage growth is lower job switching rates, or **declining labour market fluidity**, which has been observed in the US and New Zealand. In more fluid markets workers may have higher bargaining power, leading to workers achieving a higher labour share. Evidence has shown that actual and potential switching rates have been correlated with higher wage growth. If workers feel less secure and less willing to change jobs, labour market fluidity declines. However, it was noted

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³ Kalb, G. & Meeks, J. (2019). Wage Growth Distribution and Decline Among Individuals: 2001-2017.

⁴ Cassidy, N. (2019). p.4.

Andrews, D., Deutscher, N., Hambur, J. & Hansell, D. Wage Growth in Australia: Lessons from Longitudinal Microdata. Commonwealth Treasury.

that this could be a symptom of other broader factors, e.g. globalisation (including moving certain functions offshore) and technological innovation.

Evidence suggests that labour market fluidity has declined in Australia in recent years. There appeared to be general agreement amongst conference participants that this could be a key cause of low wage growth in Australia, along with **reductions in employee bargaining behaviour** as more workers fear being displaced (resulting in lower labour shares). There is also evidence that there have been fewer labour movements from low to high productivity industries, which tends to suppress wages growth.

The OECD observes that real median wage growth has decoupled from labour productivity growth in most OECD countries over the last two decades, meaning that the labour share of firm rent or income has declined.⁶ It has found that around two-thirds of this can be attributed to **technological change and globalisation**.

The OECD has found that across countries and industries, the labour shares of leading firms are lower. These countries have seen both:

- a decline at the technological frontier, reflecting the successful entry of capital intensive (less labour intensive) firms with low labour shares; and
- a rise in the market share of capital intensive 'superstar' firms that have low labour shares. This is also referred to as the 'winner takes most' dynamism, which has also seen these successful firms serving a bigger share of the global market (i.e. the best firms become larger). This has also been enabled by technology.

There was also general consensus amongst conference participants that **economic cycles and the mining boom** have played a role. This is evidenced by the fact that up until 2011 (when the sudden slowdown in wage growth occurred), real compensation was growing at a faster rate than productivity (termed the 'real wage overhang'). This was particularly the case in the mining sector where labour supply was tight. This higher labour share has since reversed – in effect, firms are now 'clawing back' their share of rent and so wages can therefore be expected to grow more slowly for a period.

The Commonwealth Treasury cautioned in overstating the significance of some of these factors, including declining labour market fluidity on future wages growth, observing that the degree of 'unexplained' weakness in wage growth is comparatively moderate. It considers that if the structural forces suggest a shift to a new equilibrium between the level of productivity and wages, the effects on wage growth should eventually diminish.

2.2.2 Other factors

Other factors were identified that could be seen to be a cause but currently have no supporting evidence.

It has been suggested that **changes in the mix of standard and non-standard employment** may have implications for wages. 'Non-standard' employment includes part-time and casual work, and also reflects the growth of the 'gig economy'. If self-employed workers are excluded,

Schwellnus, C. et al (2018). Labour Share Developments Over the Past Two Decades: The Role of Technological Progress, Globalisation and 'Winner-Takes-Most' Dynamics, OECD, Economics Department Working Papers No. 1503.



the share of non-standard casual employment in Australia has risen since the GFC. The study by Lab and Wooden found that employees in non-standard forms of employment have experienced low rates of growth compared to permanent full-time employees.⁷ However, given the small effects and statistical insignificance of the results, it does not confirm the hypothesis that an increase in non-standard employment is a significant contributor to wage growth decline.

The evidence shows that while non-standard employment in Australia is typically associated with a wage premium (e.g. the premium on casual rates), non-standard workers have not been as successful as other workers in securing pay rises recently. It also found that there is an increasing deterioration of wage growth among permanent part-time men and part-time and casual women. Conference participants suggested that more workers are willing to trade flexibility for wages.

A paper by Brell and Dustmann examined the potential impact of **immigration** on wages.⁸ It was recognised that these impacts are more likely to be distributional – in theory, given Australia's immigration policy focusses on skilled migrants, the wages of skilled workers will fall while the wages of unskilled workers will rise.

Australia has amongst the highest rate of immigration intake and foreign-born population shares in the developed world. This has grown dramatically between 2004 and 2017, and has in large part been driven by an increase in temporary visas (students, working holidays). While there is limited research in Australia examining the impact of immigration on wages, on average, the impact is not adverse and is more likely to be positive.

Discussants hypothesised that an influx of low-skilled young migrants could lead to lower wages growth for these jobs, particularly when there is a high minimum wage (noting that more highly skilled migrants can also end up filling low skill occupations). While it is difficult to reliably measure this, it was recognised that even if this is impacting wages in low skill occupations, this can only explain a portion of the low wage growth story.

Bishop and Chan explored the hypothesis that **declining union membership** is contributing to lower wages growth.⁹ This argument is based on research that has found an hourly wage premium associated with trade union membership. As at 2018, around 15 per cent of wage earners were members of a union, although while a growing share of Australian employees choose not to be union members, many continue to be covered by a union-negotiated enterprise agreement. Indeed, the share of the workforce covered by union-negotiated enterprise agreements has not changed materially between 1991 and 2017 (meaning that the number of 'free riders' has risen). Overall, this study found that trends in unionisation rates are unlikely to have contributed materially to the decline in wages growth.

2.2.3 Implications for forecasting wage growth

The conference did not specifically address the implications of the above for forecasting wage growth. Participants at the conference did note that in a number of countries, economic models are over-estimating wages growth. Mixed labour market signals continue to be observed,

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⁷ Lab, I., & Wooden, M. (2019). Non-standard Employment and Wages in Australia, University of Melbourne.

Brell, C. & Dustmann, C., Immigration and Wage Growth: The Case of Australia, University College London.

Bishop, J. & Chan, I. Is Declining Union Membership Contributing to Low Wages Growth? Reserve Bank of Australia.

including low wage growth along with a tightening labour market. It is also evident that traditional measures of labour market slack, such as unemployment, are not providing a complete picture.

Adjustments are therefore being made to how expectations are assumed to effect wages growth, which was considered more likely to be a structural, rather than cyclical factor. In the case of New Zealand, for example, the Reserve Bank (RBNZ) is incorporating more adaptive expectations into its modelling (which implies that shocks in headline inflation are more persistent than they have been historically) and this has reduced forecast error. A discussant from South Korea also confirmed similar trends, and that incorporating adaptive expectations is reducing forecast error (whereas any models with a constant term have an upward bias).

Richardson, A. (2019). New Zealand Wage Inflation Post-Crisis, Reserve Bank of New Zealand.

3. Queensland factors

The RBA conference did not focus on individual states and any information provided was only at a national level. There are a couple of areas that can be explored based on data presented at the conference. The main purpose of this is to see if we can gain any further insights into the differences in wages growth between Australia and Queensland based on factors that were identified as being potentially influential.

3.1 Context

While following a similar general trend, actual AWE growth in Queensland has differed to Australia. The following chart compares the semi-annual change for both ordinary time earnings (OTE) and total earnings, based on trend series data.



Figure 4 Change in weekly earnings, QLD and Australia

Source: Australian Bureau of Statistics, 6302.0, Average Weekly Earnings Australia, May 2019.

This shows that:

- the semi-annual change in wages has generally been more volatile in Queensland;
- in 2017-18, there was a decline in OTE in Queensland while total earnings continued to rise, before the more recent downturn in May. This could reflect wage adjustments through reductions in overtime or bonuses, reduced firm profitability, or both;
- the change in QLD OTE tracked above Australia from November 2015 to November 2018, and has since fallen below in the most recent half-year;
- the change in QLD total earnings spiked well above Australia in May 2017, but has also fallen below in the most recent half-year.

Recognising the various factors that impact AWE growth, according to the hypothesis put forward at the conference (which also reflects actual experience), with a more mining-dependent economy, wages growth in Queensland should have generally tracked lower given the adjustment that has occurred following the slowdown, including the 'clawback' in rent by firms (or the decline in the labour share). It is noted that according to the conference paper

presented by Treasury, this reduction in the sharing of productivity gains with workers has been going on for some time.

3.2 Industry composition

Noting the observations made on wages growth in specific industries, it is useful to compare the industry composition of the labour force in Queensland and Australia. This is shown below, as at May 2019.



Figure 5 Labour force composition: total employed

Source: Australian Bureau of Statistics, 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly, May 2019.

This shows that in a number of sectors the proportion of persons employed in each sector are similar. The more material differences are:

- Queensland has a higher proportion of its workforce employed in Health Care and Social Assistance, Accommodation and Food, Mining and Agriculture, Forestry and Fishing;
- Queensland has a lower proportion of its workforce employed in Professional, Scientific and Technical Services and Finance and Insurance.

As noted above, the RBA observed that wages growth has been weaker in mining and stronger in health services, both of which account for a higher proportion of total employment in Queensland. We don't know to what extent these are offsetting each other. However, it is not evident that industry composition provides a clear explanation as to what has been going on in Queensland.

It would also be interesting to look at job mobility, as declining labour market fluidity was identified as one potential driver of low wage growth. This could not be sourced for Queensland.

3.3 Pay-setting method

There was also some discussion at the conference on differences by pay-setting methods. The following chart compares this for Queensland and Australia. It should be noted that this data is from 2014. In the biennial updates that have been published since this time, the ABS has aggregated awards and collective agreements.

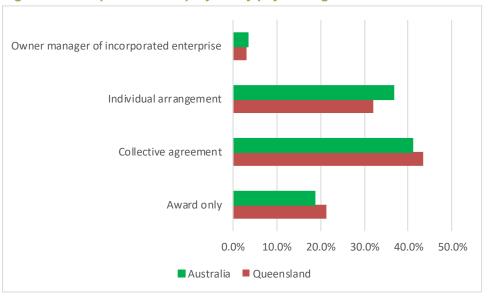


Figure 6 Proportion of employees by pay-setting method: 2014

Source: Australian Bureau of Statistics, 6306.0 Employee Earnings and Hours, Australia, May 2014.

This shows that in Queensland, a higher proportion of employees are on collective agreements and awards, while a lower proportion are on individual arrangements. In the 2018 update:¹¹

- 32% of employees in Queensland were on individual agreements compared to 37% for Australia as a whole; while
- 65% were subject to an award or collective agreement, compared to 59% for Australia as a whole.

As noted from the conference discussions, wages growth has been stronger for awards and comparatively stable for collective agreements.

3.4 Conclusions

The above data provides no clear explanation as to the differences in wages growth between Queensland and Australia, noting that the relativities between the two have changed over time.

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¹¹ Australian Bureau of Statistics, 6306.0 Employee Earnings and Hours, Australia, May 2018.

4. Implications for MAIC

4.1 The implications of low wage growth for forecasting

The RBA conference confirmed that while the phenomenon of low wage growth is an issue in Australia and other advanced economies, confounding historical relationships and leading to forecast error (i.e. over-estimates of wage growth), there is yet to be clear consensus on the causes. Until those causes are well understood, it is difficult to determine what adjustments – if any – are required to forecasting models. The Reserve Bank of Australia maintains the view that wages growth will gradually pick up as the post-mining boom adjustment runs its course. However, it also acknowledges that structural changes could be at work and indeed could have been masked by the impact of the post-mining boom.¹²

It is evident that some of the factors that have or are contributing to low wages growth are cyclical in nature (such as the 'clawback' in the labour share of rent by firms post-mining boom), while others could reflect more permanent structural change, such as technological innovation and globalisation. While wages have tended to be driven by productivity, this relationship has potentially broken down, at least in more recently. This could also be influenced by labour market regulation (which was not discussed at the conference), with recent business surveys identifying the rigidity and complexity of Australia's labour market regulatory regime as impediments to business performance.¹³

In any case, as noted by the Commonwealth Treasury, to the extent that the economy is in transition to a new equilibrium (if this is indeed the case), the effect on wages growth should eventually become less pronounced. In the meantime, however, forecasting wages growth based on models that reflect historical relationships that may have now weakened (or are subject to new influences) could continue to result in forecast error.

4.2 The implications for premium setting

The key issue for MAIC is that the DAE AWE forecasts have been consistently overshooting actual AWE more recently, meaning that there is a persistent source of forecast error. As noted above, this is also consistent with the experience of the RBA and other economic forecasters, some of which have subsequently made adjustments to their models. Evidence presented at the conference by the RBNZ indicates that it has reduced its forecasting error by incorporating adaptive inflation expectations into its model, which assumes that employees are basing their expectations of future inflation on past inflation.

The difficulty with the DAE forecasts is that the methodology is a 'black box'. We also don't know if they have sought to make any adjustments to their approach in light of low wage growth. It would also be useful to understand:

- its assumptions regarding labour productivity;
- the extent to which its model accounts for vacancies and job turnover;
- whether the model separates the public and private sectors.

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Refer also: Bishop, J. & Cassidy, N. (2017). Insights into Low Wage Growth in Australia.

Rafi, B. (2017). The Impact of Labour Market Regulation on the Unemployment Rate: Evidence from OECD Economies, Office of the Chief Economist, Australian Government, Research Paper 3/2017.

This lack of transparency is an issue – in the absence of knowing what the source of the forecasting error might be, it is difficult to know how the forecast should be interpreted or whether any adjustments are required.

While there are a number of additional factors that could be contributing to wage growth, there is insufficient information at this time to determine if – and how – they could be taken into account in forecasts.

Reference has been made to EBA outcomes as a forward-looking indicator of wage growth, given they tend to be negotiated and applied based on a three year cycle. However, less than 50 per cent of the employed population is subject to an EBA and a large proportion of these are in the public sector. These outcomes can also be influenced by other factors, such as Government policy. FWC decisions have also been seen as influential in wages growth. While neither of these indicators are likely to serve as a better basis for forecasting wage growth, they could still be a useful source of supplementary information on the future direction of wages, although that this data is not readily available at a Queensland level.

As noted above, in the absence of a clear consensus view of the causes of low wage growth, and in particular, the extent to which it is evidence of structural change rather than cyclical factors, it is difficult to know if models need to be adapted, replaced, or supplemented with other data.

We note Taylor Fry's comments on the importance of wage price forecasts and specific considerations in applying them to estimate the economic gap in setting CTP premiums. This includes:¹⁴

- 1. There needs to be a strong understanding of the relationship with discount rates.
- 2. Cumulative average inflation is more important than picking wage cycles.
- 3. Timeframes are typically longer.

These considerations are fundamentally important in evaluating the performance of the DAE forecasts and any alternative models.

We understand that Taylor Fry has identified and evaluated some alternative forecasting approaches – a review of these is not within the scope of this brief. If MAIC was to consider reviewing its approach to forecasting AWE for the purpose of setting the economic gap, this could encompass:

- The purpose and function of the forecasts (as mentioned above), which becomes a set of decision criteria to evaluate alternatives.
- Whether it should be based on AWE or an alternative metric, such as WPI (which is also forecast by Queensland Treasury at a State level, and the RBA on a national level). The WPI is a similar concept to the CPI, measuring the changes in the wage and salary costs of a fixed basket of jobs over time. Unlike AWE, in theory the WPI is unaffected by such things as shifts in the distribution of employees by occupation and industry, and between

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¹⁴ Taylor Fry (2019). Wage Forecast Models, Draft, April.

full-time and part-time jobs (although we note that the periodic 're-basing' of the basket of jobs will see some changes in this distribution over time in practice).

- Whether the forecast should be supplemented by other metrics e.g. EBA outcomes, WPI forecasts.
- The importance, and implications, of using a Queensland forecast rather than an Australian forecast.
- Which forecast/s should be used, having regard to methodology and data sources. For example, this could involve:
 - Using a single forecast, as is currently the case.
 - Using a range of forecasts (which will be limited for Queensland).
 - Using other metrics as a 'reasonableness check' or in selecting the point estimate from a range of forecasts.