

Friday, 19 March 2010

Call by big business for two years-plus pay freeze is driven by greed and self-interest, say unions

The demand by big businesses for a two year delay in any wage rise for about 1.4 million workers would drive down living standards and harm the economy, say unions.

With businesses and the economy recovering from the downturn and major companies posting \$1 billion-plus profits, the push for an extended pay freeze is motivated solely by greed and self-interest.

ACTU Secretary Jeff Lawrence said low-paid workers have not had a wage rise since 2008, and employer submissions to the annual wage review would extend this freeze up to January 2011.

The health of the Australian economy and rising company profits shows a further pay freeze extension is totally unnecessary and blatantly unfair. It would dampen consumer demand and slow economic growth.

"That would make it more than two years since the low-paid got a wage rise," Mr Lawrence said.

"People earning less than \$15 an hour should have to wait that long without a pay increase."

The ACTU is calling for a \$27 a week, or 71 cents an hour, increase to minimum wages for about 1.4 million award-reliant workers. If granted, it would lift the National Minimum Wage from \$543.78 to \$570.78. The ACTU claim represents a pay increase of 4.2% for the average award minimum wage worker.

"Australia's largest corporations are just being greedy by denying low-paid workers a decent wage rise.

"Major employers such as Woolworths made a \$1.1 billion profit in the last six months.

"They can clearly afford to give low paid workers a decent pay rise - much more than what they are offering.

"While the cost of living has gone up the incomes of low-paid workers have been frozen thanks to WorkChoices and the so-called Fair Pay Commission. Without a catch-up in minimum wages, they and their families will slip further behind the rest of the community and will face a big drop in their living standards.

"As Australia recovers from the economic downturn and company profits strengthen, it's time to give workers on award minimum wages the pay rise of \$27 a week that unions are seeking. Big employers should move on from WorkChoices, and the new system of setting minimum wages must properly recognise the contribution of employees that are reliant on award wages."

Mr Lawrence said the ACTU would oppose any attempts by employers to link the wage review to award modernisation.

"Award modernisation is having widely different effects on workers across different industries and states and should not be used as an excuse to oppose a decent rise in minimum wages," he said.

The ACTU's submission will be available at actu.org.au once lodged with Fair Work Australia after 5pm today.

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