

TUESDAY, 6 June 2017

Minimum wage decision shows the rules are broken

Today's Fair Work Commission (FWC) decision to lift the minimum wage just 59 cents per hour coupled with the penalty rate cuts is a double hit for working people in Australia.

Today's decision is further evidence that the system is broken as the decision does not lift minimum wage workers and their families out of poverty. While company profits soar, Australian workers who are shouldering the burden of work are being left behind.

National economic data for the year to March shows business in Australia is booming, with profits up 39.7 per cent, while wages growth is a dismal 0.9 per cent.

Keeping low wage earners struggling is establishing an underclass of working poor.

The Australian Council of Trade Unions (ACTU) says it's unacceptable that workers on minimum wages cannot afford groceries, utilities and rent or mortgage repayments.

Minimum wage decision:

- Hourly rate increased by 59 cents
- Full time worker's weekly wage increased only \$22.20 a week

Comments attributable to ACTU Secretary Sally McManus:

"If there was any time in history where Australians needed a decent pay rise it is now. If Prime Minister Malcolm Turnbull is not worried about working Australians living in poverty and at the same time facing penalty rates cuts, he has a dangerous blind spot."

"The Fair Work Commission today made a decision to keep working people in poverty."

"It is now urgent that Australians' wages are increased given wage growth in Australia is at a 76-year low, company profits are soaring, Treasury has banked on pay rises of 3.75%, the cost of living is rising and 700,000 people are about to get a penalty rate cut."

"If our current rules can't deliver a decent pay rise, then they need to change."

"The only way that workers can guarantee wage increases and secure employment is to join a union and change the rules."

Key facts on minimum wage earners:

- 2.3 million workers, nearly one in four, are dependent on the minimum wage or award only.
- Minimum wage workers are mostly women (57.5 per cent) and are typically younger than the workforce as a whole (average age of minimum wage worker is 35.7 while average age of all workers is 39.5).
- Many of the workers who are impacted by today's decision work in cleaning, sales, community/personal services and hospitality.

ENDS

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