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Minimum wage: Fair Work should close the poverty gap over 2 years

The Fair Work Commission should close the gap between the minimum wage and the OECD definition of relative poverty within 2 years so that no full-time worker is living in poverty, starting with a 6% increase this year a- or \$43 per week.

Currently the minimum wage is below the OECD definition of relative poverty, which is 60% of median earnings. A 10.7% increase – or \$72.80 per week – would be necessary this year to guarantee no full-time Australian worker lives below the poverty line.

The Australian Council of Trade Unions says the Fair Work Commission should close the gap over the next two years, starting with a \$43 per week increase this year, and assuming a 1.5% increase in the median next year an additional 5.5% in 2020.

In the Fair Work Commission's previous determinations, it has admitted that Australia's minimum wage of \$18.93 per hour – \$37,398 per annum – leaves many people working full-time in poverty.

Australians living on the minimum wage desperately need a pay rise to help them make ends meet as the cost of living continues to rise faster than wages.

The business lobby's argument that wages growth hurts the economy has always been wrong but has increasingly lost favor with even some of the most conservative economists and institutions.

There are 2.23 million award minimum dependent workers in Australia and boosting their wages will result in more demand, greater economic activity and create jobs.

Quotes attributable to Sally McManus, ACTU Secretary

“No one in Australia should be forced to work below the poverty line but that is exactly what the current minimum wage guarantees.”

“Within two years, we can make sure no full-time working Australian lives in poverty while also stimulating spending and generating economic activity and growth.”

“We also need to change the rules so that our minimum wage is one that people can live on – this is the basis of the fair go.”

“In arguing against raising the minimum wage to a living wage, the business lobby and the Morrison Government are saying that it is ok for Australians to live below the poverty line.”

“It shows exactly how out of touch big corporations and the Morrison Government are from every day Australians that they think workers living in poverty is an acceptable outcome of their wages policy.”

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