

media release



Friday, 19 June 2020

Fair Work Commission confirms wage growth essential to recovery

Statement from ACTU Secretary Sally McManus

Minimum wage and award-dependent workers will receive a 1.75 per cent pay rise, raising the base-line rate to \$39,167.60 per year, or \$19.84 per hour after the Fair Work Commission handed down its ruling on the annual minimum wage case this morning.

This is a very modest increase and it is disappointing that several awards will not see any increase until November or February.

However it is clear in the decision that this panel of experts recognise that cutting wages in the middle of this crisis would be a disaster for working people and the economy and they have rejected the arguments put by some employers to effectively cut wages by freezing the minimum wage.

Many of the workers who will benefit directly from this decision are the essential workers who have been getting us through the pandemic. They deserve to have their wages protected.

The most important thing the country needs is people with money to spend and the confidence to spend it. This is how the hospitality, retail and tourism industries will get back on their feet.

Just about every cent a worker on minimum wages receives, they spend. This is money circulating to local businesses. It is the fastest and most effective form of stimulus we can have.

Nearly 60 per cent of the economy is domestic spending, this will be an even more important part of our economy now our borders are closed and the rest of the world is still suffering from the pandemic.

This is why we must not have wage cuts. Wage cuts are confidence killers which hurts business and job creation.

The Morrison Government must step up and use its power to create confidence and protect jobs.

If wages are not increasing for award dependant workers, this means the government must play a bigger role in stimulating the economy. This is why they must not cut JobKeeper or JobSeeker in September. The Federal Government must use its spending power to bring the country out of the recession. They must invest in job creation through infrastructure development, supporting local manufacturing and public sector jobs.

ENDS

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