



2004 MINIMUM WAGES CASE FACT SHEET

The ACTU will seek a \$26.60 a week increase in minimum award pay rates in its 2004 Minimum Wage Case in the Australian Industrial Relations Commission:

- 1.6 million employees paid under Federal and State industrial Awards, including many part-time and casuals, rely on the claim for their only pay rise each year.
- The case would lift the Federal Minimum Wage from \$11.80 to \$12.50 per hour.
- The case would increase the full time Federal Minimum Wage from \$448.40 per week to \$475 per week, or from \$23,316 a year to \$24,700 a year.
- From 1996 to 2001, the weekly income of the bottom 20% of earners in Australia increased by \$3 compared to \$109 for the top 20%. (ABS 6523.0 *Household and Income Distribution* Table 1P13)
- Increasing award wages is an effective tool to reverse growing income inequality. Award workers represent 21% of the workforce but receive only 13% of the national wages bill.
- The ACTU's 2004 claim is calculated to add 0.1% to economy wide wage costs, 0.08% to inflation, and to have a negligible impact on employment.
- For full time workers, the average annual percentage increase from the claim would be 4.5%. This compares to average annual growth of:
 - 6.1% in average weekly earnings (ABS August quarter 2003)
 - 4.4% in certified agreements (*DEWR Trends in Enterprise Bargaining* June 2003)
 - 7.3% for CEOs (*Australian Financial Review* executive salaries survey Nov 2003)

Who are award dependent workers?

- 21% of all Australian employees – around 1.6 million people – work on awards
- 60% of award wage workers are women
- Nearly all work in hospitality, retail or health & community services.
 - 51% earn less than \$15 per hour
 - 37% earn less than \$14 per hour
 - 17% earn less than \$13 per hour
 - 57% are part-time
 - 47% are casual
 - 40% are both part-time and casual.

ACTU Minimum Wages Claims since 1996:

- Since 1996, the ACTU's annual cases have increased the Federal Minimum Wage by \$99 a week or \$5,148 per annum in dollar terms.
- Allowing for inflation, the ACTU Cases have increased the Federal Minimum Wage by more than 8% in real terms since 1996.
- Since 1996, the Howard Government has opposed every increase in minimum wages sought by the ACTU, instead offering between \$8 and \$12 a week.
- If the Howard Government had had its way, then workers on the Minimum Wage would be \$35 a week or \$1,820 a year worse off than they are now.