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## Minimum wage decision will widen the gap between the low-paid and the rest of workforce: unions

Today's decision by Fair Work Australia to grant just a \$17.10 increase to Australia's lowest paid workers will see those on minimum wages fall further behind the rest of the workforce and risks entrenching a working poor in Australia, say unions.

ACTU Secretary Dave Oliver said the Annual Wage Review panel's decision to grant an increase of 2.9% to award wages overlooked the fact that low paid workers had continually fallen behind average wage earners in recent years.

"This is a very disappointing decision by Fair Work Australia that means the one-in-six workers who are dependent on award rates of pay will barely keep pace with the cost of living, let alone the rest of the workforce," Mr Oliver said.

"This year's decision will only widen the gap between minimum wage earners and the rest of the workforce. Over the past half-a-decade the incomes of the 1.4 million workers who depend on award wages have virtually stood still, after inflation is taken into account.

"Average wages have grown by more than 10 times the rate of minimum wages since 2005.

"Every year those on minimum wages slip further behind, the more we will see a working poor become entrenched in Australia."

The Annual Wage Review decision will lift the National Minimum Wage by \$17.10 a week to \$606.40 a week or \$15.96 an hour from 1 July. The benchmark tradespersons (C10) rate will increase by \$19.90 a week to \$706.10 a week or \$18.58 an hour.

Mr Oliver said the minimum wage case run by unions was the only opportunity award-dependent workers have to secure a pay rise.

He said that since 2005, the real value of the minimum wage (adjusted for inflation) has increased by less than 1%, while average wages have increased by 12%. The wages for some award classifications have fallen in real terms.

"Unions will continue to advocate for the lowest-paid in our economy because it is a measure of a fair society that all workers have a decent safety net," Mr Oliver said.

"The richest earners in this country make the loudest noise when it comes to complaining about having to bear the mining tax. Yet it is not always as easy to hear the voices of the one in six workers dependent on awards, many of who struggle just to put food on the table.

"Wage inequality in this country is continuing to grow, and the priority of the wage review panel should be to provide and maintain a fair safety net for the lowest paid workers.

"Workers on collective agreements achieved pay rises of more than 4% last year, and unions are determined to stand up for workers to bargain collectively in their workplace and industry."

**Media contact:**

Rebecca Tucker ph (03) 9664 7359 or 0408 031 269; [rtucker@actu.org.au](mailto:rtucker@actu.org.au)