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2.5% increase for minimum wage and award workers, but increases for hard-hit sectors delayed

Unions have won a 2.5 per cent pay increase for a quarter of all workers through the Fair Work Commission's annual minimum wage case, despite hard-line opposition from the Federal Government and big business. However, unions are disappointed that the Commission has decided to delay this increase for hundreds of thousands of workers, including those in retail where many companies have posted record profits.

This pay rise will raise the annual minimum wage to \$40,175.20 and the hourly rate to \$20.33 and will also flow through to those who are award-dependent, lifting the wages of one in four workers. However, the Commission has delayed the increase for aviation, fitness, tourism and parts of retail and events until the 1st of November and for the bulk of the retail sector until the 1st of September.

This is doubly disappointing as a large proportion of workers who will benefit from this pay increase are those whose roles have been essential throughout the pandemic.

The 2.5 per cent increase is significantly higher than anything supported by either the Federal Government or big business.

Wage growth has remained effectively stagnant for 8 years. Much more needs to be done to lift wage growth which is essential to the COVID-19 recovery.

Quotes attributable to ACTU Secretary Sally McManus,

“This wage increase has come about because of unions, the Morrison Government and big business wanted pay cuts or freezes.

“However, it is extremely disappointing that the Commission has delayed increases for any workers – but especially those who have worked throughout the pandemic and whose employers have posted record profits.

“Wage suppression in our country needs to stop. Suppressing wages hurts the economic recovery and it hurts working people, their families and communities. There can be no economic recovery without a wages recovery.

Pay increase will be spent in local communities across the country and will help small and medium businesses as well as working people get back on their feet after the pandemic.

“This wage rise goes to one in four working people – and this process is the only avenue those people have to a pay rise each year. This is essential work which unions do on behalf of those workers.

“The Federal Government needs to change their policies that are keeping wages low by supporting pay increases for their own workers, supporting more secure jobs and changing laws to restore bargaining power to workers.”

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