

## \$27 minimum wage increase needed now

A \$27 wage rise per week for our lowest paid workers is essential if Australia is to avoid creating an underclass of working poor, unions say.

ACTU Secretary Dave Oliver said that new research contained within the ACTU submission to the Fair Work Commission's Annual Wage Review shows that if action isn't taken to increase the minimum wage and turn around the alarming decline in the relative earnings of low paid workers then Australia will have an entrenched working poor as they do in the United States within twenty years.

"A \$27 per week increase to the minimum wage will ensure the gap between low paid workers and the rest of the workforce does not widen even further," Mr Oliver said.

"Australians do not want to live in a country of 'haves' and the 'have-nots' and the only way for low paid workers to keep up is for the Fair Work Commission to approve this increase.

"That's why the ACTU is demanding the National Minimum Wage increase to \$649.20 a week for Australia's lowest paid including cleaners, retail and hospitality staff, child care workers, farm labourers, and factory workers.

"This would mean a 71 cent per hour increase from \$16.37 per hour to \$17.08 per hour. We're asking the Fair Work Commission to increase the lowest award wages by the same amount, \$27 per week. For other Award reliant workers above the benchmark tradesperson's rate, Unions seek a 3.7% increase."

Mr Oliver warned that allowing inequality to worsen will ensure that within 20 years Australia will have a working poor similar to the United States.

"The minimum wage is now just 43.3% of average full time wages - the lowest proportion on record," Mr Oliver said.

"If action isn't taken, by around 2035 that figure could languish below 30%.

"This will make life in Australia much tougher for low paid workers who will find themselves well and truly left behind. Unions are not going to sit back and let that happen.

"If we want to be the country of the fair go then Australia's minimum wage must be increased.

"It is the responsible thing to do and it is the right thing to do - Australians are emphatic, we do not want a US style underclass of working poor in this country.

"We want a country that gives everyone a fair go and gives everyone dignity and a right to a reasonable and decent quality of living. That's the Australian way."

Mr Oliver said that only twenty years ago Australia's minimum wage was the highest in the OECD at nearly 60% of average full time wages and ten years on it was hovering around 50%.

"Our research proves there is an urgent and compelling need to turn this decline around," Mr Oliver said.

“The annual wage review is the only chance for a pay increase for 1.5 million of Australia’s lowest paid workers, and helps set the pay and pay increases of many more.

“Australia is meant to be the country of the fair go but the stats speak for themselves – we’re going down the path of the ‘haves’ and the ‘have-nots’ and the ‘have not’ population is growing.

“Australia is becoming a high cost country to live in and for low paid workers it’s getting harder and harder to get by.

“For those on a low wage, home ownership is a now pipedream. The minimum wage has less than doubled in the past 20 years compared to a 250 per cent increase in housing prices.”

Mr Oliver said the performance of Australia’s economy meant the claim of \$27 a week for the National Minimum Wage was affordable and reasonable.

“Productivity has been growing at its fastest pace in over a decade, but wages have failed to keep up– especially the wages of the lowest paid. Workers’ share of national income has fallen, while the profits share is near an all-time high,” Mr Oliver said.

The claim for \$27 would benefit about 750 000 workers. A pay rise of 3.7% will be sought for a further 790 000 Award-reliant workers who are paid above the C10 tradesperson’s rate. In total, about 16% of employees depend on the wage increased obtained by the ACTU through Annual Wage Reviews.

“It is essential that the Fair Work Commission increase the minimum wage to stop the alarming decline in the relative earnings of low paid workers,” Mr Oliver said.

“The best outcome for workers will be one that stops the gap growing between low paid workers and the rest of the community.”

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