

THURSDAY, 31 March 2016

**Two million workers need \$30 week increase to avoid US-style working poor**

The Australian Council of Trade Unions is calling for a \$30 a week increase in the minimum wage to \$686.90 per week or \$18.08 per hour.

In its submission to the Fair Work Commission's Annual Wage Review, the ACTU sees minimum wage levels which are still stubbornly low at 43.8 per cent of average weekly full time earnings, up only slightly on last year's record low of 43.4 per cent.

This is despite labour productivity continuing to grow faster than wages, which means Australians are working harder for less reward.

The impact shrinking wages is having on inequality is significant, with fears Australia is seeing an increasing underclass of working poor.

Minimum wage earners are more likely to be young, female workers in casual or part time roles and the threat is even greater for these workers already at risk of disadvantage in the workforce.

Meanwhile, other key economic indicators are positive. Australian economic growth of 3.0 per cent in the past 12 months outpaced most OECD countries and FWC data shows that business bankruptcy rates are at a record low while the number of business overall grew by 1.0 per cent in 2014-15.

Hard working Australians on the minimum wage have earned a \$30 pay rise and the government should join Unions to urge the Fair Work Commission to award the ACTU's claim to protect the living standards of almost two million Australians.

**Key facts on minimum wage earners:**

- There are 1.86 million Australians who earn the minimum wage - that's nearly one in five workers.
- Minimum wage workers are mostly women (57.5 per cent) and are typically younger than the workforce as a whole (average age of minimum wage worker is 35.7 while average age of all workers is 39.5).
- More than one million minimum wage workers come from just three occupations: community/personal service workers, sales workers and labourers.
- Over half of all hospitality workers, cleaners and laundry workers are reliant on the minimum wage.
- Compared to all workers, minimum wage workers are more likely to work part time or be casual.

**Quotes attributable to ACTU Secretary Dave Oliver:**

"A \$30 a week rise for our lowest paid workers is vital if we're to halt the alarming slide in living standards that is threatening the economic wellbeing of one in five Australians."

"The Treasurer says the economy is picking up steam and corporate profits are rebounding, but wage growth has stalled despite Australian workers being more productive than ever."

"It's time to give minimum wage workers a pay rise."

"The Turnbull Government cannot sit on its hands on an issue so important to millions of Australia's lowest paid workers - I would be extremely disappointed if they failed to make a submission to the Fair Work Commission in support of a wage rise."

"Low paid workers have been facing increasing financial pressure over the past few years and this has only been made worse by rapidly rising housing costs and the government's Medicare cuts forcing people to spend more and more on basic health care."

"We do not want a US-style working poor in Australia. Our lowest paid workers deserve a \$30 a week wage increase."

ENDS

**Media contact: Jess Kendall 0414 679 857**