

Friday, 23 April 2021

Unions reject big business calls for delay to minimum wage increase

The ACTU has rejected calls from big business lobbyists to delay any increase to the minimum wage in a reply submission to be made today.

Employer groups representing some of the biggest companies in Australia have argued that there should be no increase at all this year or that any increase should be delayed, especially in industries where 2020 minimum wage increases were delayed until February of this year.

Any outcome that results in a below inflation increase is not a pay freeze but a real pay cut. Cutting the pay of the workers who have kept our economy going during this crisis - of our cleaners, supermarket workers and delivery workers, our health and aged care workers. It would be deeply unfair and bad for the economy.

Additional delays to wage increases for low paid workers would rip even more money away from them at a time when there is broad agreement among economists and the RBA that higher wage growth is needed to secure a sustainable recovery from the pandemic.

Attributable to ACTU President Michele O'Neil:

“Wage growth keeps hitting new record lows and is currently just 1.4 per cent while profits grew 15.1 per cent last year. It’s the first recession in Australian history when profits got bigger, not smaller. Money in the hands of working people will drive the recovery from the pandemic.

“An increase to the minimum wage means a pay rise for around one in five workers. Beyond being the right thing to do when half of hospitality workers say they are in financial stress, it is one of the key tools we have to generate economic growth through spending.

“The arguments being made by the big business lobby as part of this process are disingenuous and disappointing but not surprising. They have consistently put the narrow short term interests of their members – huge corporations who have expanded their profits during a recession – ahead of the national interest and even ahead of public safety.

“The Morrison Government and its backers in big business will never accept it’s a good time for a wage rise. The recovery hinges on working people being given money to spend. This helps workers and their families, but also small local businesses.

“Minimum wage increases help workers who need it most: the lowest paid and those concentrated in the sectors most impacted by Covid - like retail and hospitality. Women also depend disproportionately on this decision – they comprise 61% of all award-dependent workers

“Consumer spending has been and must continue to drive the economy. With the Morrison Government’s vaccine rollout making us more vulnerable to further lockdowns and outbreaks it is more important than ever that we secure a fair economic recovery.”

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