

Saturday, 21 March 2015

Unions to call for an increase in the minimum wage

Unions call on employers to be honest about the impact of increasing the minimum wage.

With the deadline for the Annual Wage Review just one week away, ACTU Secretary Dave Oliver has called on employers to lodge a submission based on facts, not anecdotes.

“The ACTU is preparing to lodge its submission to increase the minimum wage,” said Mr Oliver.

“Minimum wages are effective in boosting pay and don’t harm employment, yet every year employer groups claim that a pay rise for the lowest paid workers will increase unemployment and the sky will fall on small businesses.”

“And every year the sky fails to fall in and small businesses continue to open their doors.”

Mr Oliver challenged employers to take on board the research that shows boosting the minimum wage is good for workers and does not impact employment (see below).

“The annual minimum wage case is the only opportunity for 1.86 million of Australia’s lowest paid workers to receive a pay rise,” said Mr Oliver

“Maintaining a fair minimum wage is essential if Australia is to avoid creating an underclass of working poor.”

Submissions to the Annual Wage Review, which determines the minimum wage, are due on Friday 27 March.

Key facts:

- On average, workers reliant on a minimum wage are 35.7 years old;
- 84.5% of workers reliant on a minimum wage are at least 21 years old and 30.1% are aged 45 and over;
- 57.5% of workers reliant on a minimum wage are women
- 40.7% of workers reliant on a minimum wage work full-time
- 34.2% of workers reliant on a minimum wage work in the retail or hospitality industries

Research:

A [2011 paper](#) in the British Journal of Industrial Relations found minimum wage rises in Australia had no significant effect on teenage employment.

(Source: <http://onlinelibrary.wiley.com/doi/10.1111/j.1467-8543.2010.00799.x/abstract>)

Another [paper](#) looked at the effect of youth award rates in Australian and found no evidence they reduce employment. (Source: http://www.motu.org.nz/publications/detail/the_short-run_effects_of_age_based_youth_minimum_wages_in_australia_a_regre)

A famous US [study](#) compared fast food employment in New Jersey and Pennsylvania after one state increased its minimum wage and the other didn’t and found no significant effect on employment.

(Source: <http://davidcard.berkeley.edu/papers/njmin-aer.pdf>)

A [landmark paper](#) looked at US restaurant employment in 288 different pairs of adjacent counties that had different minimum wages and found that minimum wages were effective in boosting pay but don’t harm employment. (Source: <http://www.irl.berkeley.edu/workingpapers/157-07.pdf>)

The UK Low Pay Commission has commissioned over [130 pieces of research](#) that finds minimum wage increases boost workers’ pay but do not harm employment.

(Source: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288841/The_National_Minimum_Wage_LPC_Report_2014.pdf)

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