

FAIR PAY COMMISSION DEALS DUD HAND TO POOREST WORKERS IN GOOD TIMES AND BAD

Catholic Social Services Australia's Executive Director, Frank Quinlan, said low paid Australian workers must not be used as a macro economic safety valve especially in tough economic times.

The Australian Fair Pay Commission announced today that the Federal Minimum Wage would remain at \$543.78 despite a current CPI of 2.5 per cent based on an increase in essentials like pharmaceuticals, rent, vegetables and electricity.

Speaking shortly after the announcement Mr Quinlan said the process for calculating the minimum wage is flawed and that today's decision has failed the increasing number of low income Australian workers who depend on the safety net set by the AFPC.

"Last year, in good economic times, the AFPC reduced the real value of safety net wages in the hope of containing inflationary pressures in other parts of the labour market. This year it has gone further and frozen safety net wages in the hope that the decision will promote economic recovery," Mr Quinlan said.

"In good times and bad, safety net dependent workers have been expected to carry the burden of macro economic reform.

"Today's decision will see many families exposed to unnecessary hardship as they carry a disproportionate burden in the current economic circumstances.

"In its post budget submission the Australian Catholic Council for Employment Relations warned against real wage reduction, calling for a 2.5 per cent increase plus an additional \$7 to bring the Federal Minimum Wage in line with state-based minimum wages.

"The Australian Fair Pay Commission has failed to accurately reflect the true cost of living. Housing costs are underestimated and the levels of rent assistance are overestimated, leaving many low paid workers and their families living in poverty, even before today's decision.

"Catholic Social Services Australia has always maintained that the minimum rate of pay must be sufficient, after allowing for income tax and relevant government transfers to support a family at a reasonable level above the poverty line. This decision will force more working families into poverty.

"This is a black day for those workers who have no capacity to bargain for higher rates of pay and who depend on the Fair Pay Commission to set fair safety net wages.

"Despite consultation, the Fair Pay Commission has not heeded the advice of community groups in the lead up to this decision.

"The Commission has abrogated its responsibility and flicked a hospital pass to Fair Work Australia which takes responsibility for setting the minimum wage on 1 August this year," Mr Quinlan said.

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