Low minimum wage hurts all workers in the end

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About 2.3 million Australians earn the minimum wage of $24.80 an hour, some 450,000 more people than two years ago. Furthermore, the minimum wage is less than half the average Australian full-time pay. Those who earn such low wages generally work in community and personal services, retail or hospitality. But it also includes a half of all cleaners, hospitality and food-service workers and, increasingly, professionals. Average wage growth remains at a pathetic 1.9 per cent, less than inflation.

While workers are feeling the pinch of dwindling wages and increasing living costs, our economy is growing faster. The OECD sees growth and the prices we pay for basic goods, including food, electricity, health and childcare, are in-
creasing. So what's the problem? Corporations and the very rich have used their power to take a bigger share of the economic pie. While workers' wages are falling in real terms, companies' operating profits have surged to levels not seen in decades. Even excluding the mining sector, profits are now more than five times since 2014. Workers clearly deserve a pay rise. That is why the Australian Council of Trade Unions is pushing for a $3 an hour, or 2.7 per cent, increase to the national minimum wage.

The Prime Minister has pointed to the claims of minimum-wage earners as a source of concern about the "economically important" of wage-increases. Yet at the same time the Coalition is promising wage growth in the broader economy to help balance the budget. Treasurer Scott Morrison proudly trumpeted a 1.1 per cent growth rate in the budget papers, 0.1 per cent lower than the government's forecast at the time of the 2016 budget. If workers are to share that windfall, then the minimum wage should be increased. A recent Essential poll showed that seven in 10 believe the minimum wage should be increased. Three Australians estimated that a decent minimum wage makes us healthier. We owe it to ourselves to ensure that our workers are not left behind.