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National wage case decision gives low-income earners breathing space but still well below poverty line

The decision today by the Fair Work Commission to increase the National Minimum Wage (NMW) by 5.2 per cent is welcome but workers on low incomes will still struggle to make ends meet, Chair of Catholic Social Services Australia, Francis Sullivan, said today.

The proposed increase of 5.2 per cent to the minimum wage is just barely above the current inflation rate of 5.1 per cent.

The current national minimum wage is \$20.33 per hour, or \$772.60 per week. The Fair Work Commission's decision will see this increase to \$21.38 or \$812.60 a week, up \$40, for more than 2.7 million low-paid and award-reliant workers.

Mr Sullivan said that while this is still well below the poverty line in Australia of \$1,091 a week for a family of four comprising two adults, one of whom is working, and two dependent children it turns around a decade of minimum wages going backwards.

"While the Commission's decision is welcome, the struggle for low-income families to achieve a decent standard of living is still very, very hard, Mr Sullivan said.

"Many of the working poor in Australia have barely enough to pay their rent and put food on the table.

"And with runaway inflation and cost of living increases, this is only getting worse.

"In a country like Australia, every worker should be able to, at the very least, pay their bills, support their families and still have a little left over for a decent standard of living.

"The challenge for the Government is now how to push the minimum wage closer to or above the poverty line for the average family.

"This should become one of the new Government's key priorities," Mr Sullivan said.

The Australian Catholic Council for Employment Relations (ACCER) recommended an increase of 6.5 per cent to the NMW.

Its submission was based on research from the Australian Catholic University (ACU) and concluded "a significant cohort of Australian workers who are dependent upon the NMW ... are not receiving a decent living wage".

The report also argues that anything less than a 6.5 per cent increase would be inadequate to protect them from "ill effects of poverty and disadvantage".

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Note: According to The Melbourne Institute of Applied Economic and Social Research in the March quarter 2021, inclusive of housing costs, the poverty line is \$1,091.50 per week for a family comprising two adults, one of whom is working, and two dependent children.