



MEDIA RELEASE

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Commission announces \$21 per week increase in minimum wages

The Australian Fair Pay Commission today announced its 2008 Wage-Setting Decision and delivered an increase of \$21.66 per week to Australia's 1.3 million pay scale reliant workers.

The increase applies to the standard Federal Minimum Wage and to all Australian Pay and Classification Scales.

The increase will be implemented on the first pay period on or after 1st of October and will flow on to junior employees, people in training arrangements and to workers with a disability

Chairman of the Australian Fair Pay Commission, Professor Ian Harper, said today's announcement was the third increase in minimum wages made by the Commission, and follows an increase of \$10.26 in July 2007.

He said the \$21.66 per week wage rise, together with relevant tax and social security changes, will provide low-income households with real increases in disposable income.

Professor Harper described the 2008 decision as both sustainable and appropriate to current economic conditions.

"It is a decision that takes into account the state of the national economy and the circumstances of low paid Australians."

He said this year's decision has been made in a time of economic transition and uncertainty.

"The Commission notes that economic activity and employment growth are forecast to slow in the near term, while unemployment is expected to increase. These weaker conditions may place low-paid workers in a more vulnerable position.

"On the other hand, it is clear from submissions, from our research and from our nationwide consultations that households face significant pressures, including higher costs for food, fuel and housing."

He said: "The Commission is especially aware of the financial pressures on low-income households at this time. Movements in consumer prices, in particular, have put many low-income households under considerable financial stress."

"In making this year's minimum wage decision, the Commission has sought to balance a range of key trends and developments in the economy, including inflation, employment conditions and factors affecting the safety net for low-paid workers.

Professor Harper stressed that, while the Commission has placed emphasis on the role that minimum wages play in maintaining a safety net for low-paid people, it has not overlooked the potential for the increase to add to inflationary pressures or to affect employment and unemployment.

“On balance, the Commission believes that its decision will have only a minor impact on wage and inflation outcomes in the economy as a whole’, he said.

“Wages paid to the 1.3 million Australians who rely directly on the Commission’s decision comprise only a small percentage of the economy’s total wage bill. Furthermore, the impact on employment and unemployment will be relatively minor in the context of current economic circumstances.”

A second component of the Commission’s 2008 wage decision is the ending of the deferral of 2007 wage increases to some employees in the drought-affected agricultural sector.

As a result, where the 2007 deferral was applied to farm workers, these employees will receive both the 2007 and 2008 increases.

The full decision document, fact sheets, research, and submissions can be found on the Australian Fair Pay Commission web site at www.fairpay.gov.au

For more information on wage rates, call the **Workplace Infoline** on **1300 363 264**.

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