



**Media Release - August 16, 2007**

**AIRC decision discriminates against low paid workers with families – Catholic employment relations body**

The Australian Industrial Relations Commission's decision on the Federal Minimum Wage discriminates against low paid workers with family responsibilities, the Catholic Church's employment relations body said today.

Australian Catholic Council for Employment Relations (ACCER) Chairman Brian Lawrence said "the decision was a blow for low paid workers with families".

The AIRC handed down a decision today to flow-on the wage-setting decision of the Australian Fair Pay Commission, with only minor modifications – the amount of the variation to weekly award rates up to and including \$700 per week should be rounded to \$10.30 per week and the weekly award rates over \$700 per week should be rounded to \$5.30 per week.

The effect of the decision is that the lowest minimum wage, the Federal Minimum Wage, in transitional awards is to be increased by \$10.30 per week resulting in a new minimum wage of \$522.20 per week. ACCER had argued that the AIRC should go further and increase the Federal Minimum Wage by \$27.00 per week, to a total of \$539.20 per week.

"This decision means that the lowest minimum wage available to families with a single income earner is manifestly inadequate to allow him or her to support a family, even when transfer payments are taken into account," Mr Lawrence said.

"For them to survive, both parents will have to go out into the paid workforce, regardless of their family responsibilities."

The discrimination arises from the AFPC's decision to regard the second parent in low income families as eligible to receive the Newstart allowance, an allowance which can only be paid if the second parent seeks paid employment. The Newstart allowance for a second parent, where the breadwinner is employed on the Federal Minimum Wage, is in excess of \$100 per week. If the parents choose to exercise their family responsibilities by having one of them stay at home to look after the children, they are not entitled to receive the Newstart allowance.

This has the effect of placing economic pressure on the second parent to seek employment instead of caring for the children of the family.

Mr Lawrence said the AIRC decision simply to accept the flow-on of the AFPC wage-setting decision without any additional increase of the Federal Minimum Wage failed to respond adequately to the needs of working families.

"In effect this AIRC decision today, and that of the AFPC previously, discriminates against low paid workers with family responsibilities," he said.

To see ACCER's submission to the AIRC, please visit [www.accer.asn.au](http://www.accer.asn.au).

For further comment contact Brian Lawrence on 0402 103 184.