



Fair Work Commission Rejects ACTU'S Living Wage

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“Today’s decision from the Fair Work Commission rubbishes the Australian Council of Trade Union’s call for a ‘living wage’,” said Aaron Lane, Legal Fellow at free market think tank the Institute of Public Affairs.

“By ‘living wage’, the ACTU means a massive hike in the minimum wage. The Fair Work Commission today rejected that approach, saying that increases of the size that the ACTU proposed this year would run the substantial risk of having an adverse effect on employment. The Commission noted that this would affect those people already marginalised in the labour market, and households already vulnerable to poverty. It is clear that regulating a ‘living wage’ for some workers will condemn others to unemployment and poverty.”

“Last year, the Fair Work Commission accepted that prohibitive penalty rates discouraged weekend work – and the same laws of economics apply to the minimum wage. It is a shame that the Fair Work Commission were not consistent in their reasoning in still deciding to force a large increase in the minimum wage – on the back of a significant increase last year.



“Increases in the minimum wages always hurt the most vulnerable. Today’s decision is a setback for all of those Australians outside of the job market and struggling to find entry-level work. Unemployed and discouraged workers will not get a pay rise – and many will find it harder to get their foot in the door. Some low-paid workers will also face the prospect of having their hours cut.

“There is dignity in work. The value of work transcends an hourly rate. Work provides an opportunity to create value, build skills and enjoy earned success. Individual employees and employers should be free to come to an agreement on the arrangements that best suit them,” said Mr Lane.

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