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IPA: MINIMUM WAGE HIKE TO COST 82,000 JOBS

"Today's decision to increase minimum wages will hurt the hundreds of thousands of Australians currently looking for work," said Aaron Lane, Legal Fellow at free market think tank the Institute of Public Affairs.

Today, the Fair Work Commission lifted the national minimum wage from \$656.90 per week, or \$17.29 per hour, to \$672.70 a week or \$17.70 per hour (based on a 38 hour week) – an increase of 2.4 per cent.

"While today's increase in the minimum wage may seem modest, applying the 2.4 per cent increase to the 2003 modelling from the now Labor frontbencher Andrew Leigh, it is estimated that today's decision will cost around 82,000 jobs, approximately 44,000 of those will be jobs for younger workers aged between 15-24 years.

"Every time the Fair Work Commission increases the minimum wage, it makes it harder for employers to hire. Today's decision will be cold comfort to those unemployed people who will now find it harder to get a job, or those low paid workers whose hours may now be cut.

"The minimum wage only helps people who are employed," noted Mr Lane.

"There is dignity in work. The most vulnerable people in society will be the hardest hit by this increase, through job losses and slower employment growth."

"At a time when governments around the country are struggling to combat youth unemployment, Australia's industrial relations regime is making the problem worse," said Mr Lane

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