



8 February 2002

Justice Geoffrey Giudice
President
Australian Industrial Relations Commission
GPO Box 1994S
Melbourne, Victoria, 3001

Dear President,

I am writing to you on behalf of the Justice and World Mission Unit of the Uniting Church in Australia, Synod of Victoria, to support the Section 113 "*Applications to Vary Awards re Living Wage Case Matters*" claim being put forward by the ACTU on behalf of an estimated 1.7 million Australian employees who are dependent on award rates of pay.

We support the modest claim of an increase in all award rates of pay of \$25 per week. We note that the claim would lift the Federal Minimum Wage from \$413.40 per week to \$438.40 per week for someone working a full time job.

Casual and part-time workers are over-represented among employees dependent on award wages, with 41% of part-time workers dependent on award wages in May 2000¹. The weekly income for these people is often below the minimum award wage because they do not work full time hours. These are people in the workforce that are likely to have the least ability to negotiate wage increases with their employers. We note that between 1998 and 1999 the proportion of employees being casual had increased from 19% to 27%. The Australian Bureau of Statistics (ABS) found that 62% of casual employees were women.

We note with alarm that the ABS '*Household Expenditure Survey*' of September 2000 found that 30,000 low-paid households, in which at least one person works, went without meals or could not afford to heat their homes due to a shortage of money. In 41,000 low-income households something was sold or pawned because of a shortage of money. Almost 120,000 working households could not pay utility bills.

We note that minimum wage rates have a significant effect on child poverty in a country. UNICEF has found a strong correlation between the child poverty rate in industrialised countries and the percentage of full-time workers in low-paid jobs, defined as jobs where the wages are less than two-thirds of the national median wage (Figure 1). The organisation concluded that an increase in employment opportunities was unlikely to make significant inroads into the problem of child poverty if wages at the bottom of the income scale are too low.

The Synod of Victoria has a long history of seeking to end poverty and of supporting an "equitable distribution of Australia's wealth". In 1984 the annual Synod of the Victorian Uniting Church called upon the Australian Government and Australian people to ensure "the

¹ Australian Bureau of Statistics, "6305.0 Employee Earnings and Hours, Australia, Preliminary", May 2000.

provision of adequate income security for all Australians.” In 1987 the annual Synod of Uniting Church members throughout the state called on the Australian Government to affirm its “commitment to provision of employment under just and favourable conditions to all who seek work”.

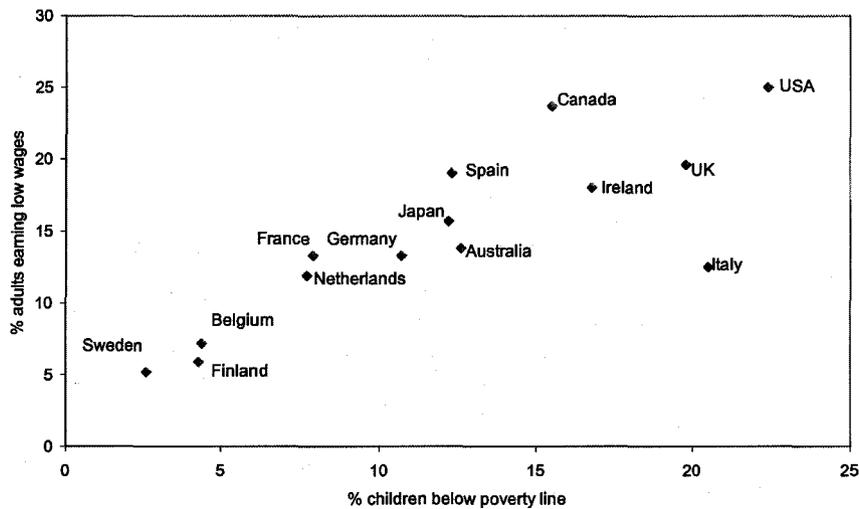


Figure 1: The percentage of children living below the Luxembourg Income Study poverty line versus the percentage of adults earning below two-thirds of the median wage for industrialised countries².

The Justice and World Mission Unit also believes that granting the increase of \$25 per week to award rates of pay would help address the gender inequity in wages. In May 2000 average female weekly earnings were only 66.8% of average male weekly earnings (\$521.50 compared to \$780.60)³. Of females, 31.2% were paid according to awards compared to 17.2% of males in May 2000.

In addition to supporting the submission for an increase of \$25 per week in award wages, we believe that the Commission should consider establishing a benchmark for the adequacy of minimum wages, grounded in the income needs of low paid workers. We believe that such a benchmark, would help the Commission to fully discharge its responsibilities under section 88B(2) of the *Workplace Relations Act (1996)* to establish and maintain a safety net of fair minimum wages, having regard to:

- (a) *the need to provide fair minimum standards for employees in the context of living standards generally prevailing in the Australian community;*
- (b) *when adjusting the safety net, the needs of the low paid.*

We urge you to grant the ACTU claim for an increase of \$25 per week in award wages.

Yours sincerely,

Rev David Pargeter
 Director
 Justice and World Mission Unit

² UNICEF Innocenti Research Centre, “Innocenti Report Card No. 1. A league table of child poverty in rich nations”, June 2000

³ Australian Bureau of Statistics, “6305.0 Employee Earnings and Hours, Australia, Preliminary”, May 2000.