



AUSTRALIAN CATHOLIC BISHOPS CONFERENCE

Catholic Church backs 7.2 per cent minimum wage increase

MEDIA RELEASE

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The Australian Catholic Bishops Conference has told the Fair Work Commission a 7.2 per cent increase in the minimum wage is needed to protect workers at risk of poverty – and analysis shows it is affordable.

The Bishops Conference has made submissions on the national minimum wage for decades, arguing consistently that working people and their families living in poverty is inconsistent with principles that see the minimum wage as a “safety net”.

The Conference’s 2023 submission, prepared by the Australian Catholic Council for Employment Relations, is supported by a 47-page analysis by the Australian Catholic University, led by senior research fellow Tom Barnes.

The analysis looks at the impact of the current cost-of-living crisis on low-income earners, the affordability of a large increase in the minimum wage and the potential inflationary impacts of the increase – which are minimal.

“The Catholic Church approaches this complex question with the key principles of Catholic Social Teaching, including pursuit of the common good, but with due consideration of the economic realities,” said Bishop Michael Kennedy, the Bishop Delegate for Employment Relations.

“We make our submission in support of the position and underpinning belief that workers have a right to wages that will support themselves and their families to a dignified standard of living.

“The Catholic Church has a long history of advocating for a safety net minimum wage which provides workers with wages that provide for a fair and decent standard of living.

“The detailed research that Dr Barnes and his team has undertaken reveals that the ethical stance we take, that some of our lowest-paid workers need a pay rise to live above the poverty line, is compatible with what can be paid by most businesses.”

Almost 5 million Australians are living at or below the poverty line – defined as 60 per cent of median equivalised household disposable income. A decent proportion of that number is made up of people who work full-time.

“Where the current minimum wage does not allow individuals that are employed on a full-time basis to live without poverty, the minimum wage is not an effective safety net,” the bishops’ submission says.

A substantial increase to the minimum wage is warranted “to achieve the historical task of eliminating the gap between the minimum wage and poverty lines in Australia”, it continues.

Bishop Kennedy said the bishops urge the Fair Work Commission “to look closely at the in-depth analysis we have provided and to consider the challenges that millions of Australians are facing”.

“The Fair Work Act calls for workers who are dependent upon minimum wages to be kept out of poverty and social disadvantage. Our submission proposes a way to achieve that legislative goal,” he said.

The Church’s submission can be found at: <https://bit.ly/ACCERMinimumWage>