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FIGHTING INEQUALITY IN AUSTRALIA

JUST REWARD: THE CASE FOR A WAGE RISE AFTER COVID-19

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About Per Capita

Per Capita is an independent progressive think tank, dedicated to fighting inequality in Australia. We work to build a new vision for Australia based on fairness, shared prosperity, community and social justice.

Our research is rigorous, evidence-based and long-term in its outlook. We consider the national challenges of the next decade rather than the next election cycle. We ask original questions and offer fresh solutions, drawing on new thinking in social science, economics and public policy.

Our audience is the interested public, not just experts and policy makers. We engage all Australians who want to see rigorous thinking and evidence-based analysis applied to the issues facing our country's future.

About the author

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Emma is co-editor, with Professor Janet McCalman, of the collection of essays What happens next? Reconstructing Australia after COVID-19, published by Melbourne University Press in September 2020. She holds a BA with First Class Honours from LaTrobe University and an MA with Distinction from Monash, and is an Honorary Fellow in the School of Social and Political Sciences at the University of Melbourne.

Introduction

The Fair Work Commission's 2021 Annual Wage Review is occurring in the context of the most uncertain economic outlook Australia has experienced in decades, and following a federal budget that projects weak wage growth across the economy for at least the next four years.

After the biggest economic shock in a century, economic activity is picking up, and the main government support programs, such as JobKeeper and the JobSeeker Coronavirus supplement, have been withdrawn. Unemployment is down, but 60 per cent of the jobs created in the last six months are casual, while less than a quarter are full-time. Underemployment and job insecurity remain a significant problem for the Australian labour force, as they were before the pandemic. Too many Australians are not working enough hours, or receiving adequate rates of pay, to sustain them and their families.

Businesses across the country are reopening and reinstating, or hiring new, staff. Some small businesses, particularly in the hospitality and tourism sectors in regional areas, are struggling to get back to full steam, while other larger businesses have banked record profits during the pandemic, with some even pocketing millions of dollars of government funding that was intended, via JobKeeper, to be paid as salaries to workers.

It is against this backdrop that employer groups and business lobbyists, with the support of the Federal Government, are now arguing against a much-needed increase in the minimum wage – despite the Government's fiscal projections for economic recovery relying heavily on high levels of consumer spending over the forward estimates.

As this report demonstrates, it is imperative that low- and middle-income households receive adequate wage increases to compensate for years of wage stagnation and months of lost income: imperative not only for working Australians and their families, but critical to the task of lifting consumer confidence and spending needed to boost the revenues of small and medium enterprises across the nation.

Bringing together data from before and since the pandemic on wage growth trends, company profits, asset prices, consumer spending, the cost of living and consumer prices, and household living standards, this report outlines the case for a significant increase in the minimum wage, which will flow through to higher take-home pay for the more than 2 million Australian workers who rely on award wages.

Higher wages for low and middle-income earners translates directly to more consumer spending in local economies. As the Government's own budget forecasts show, domestic consumption by private households is critical to supporting Australia's economic recovery, and will play an even larger role in the health and growth of our economy until international border reopen and major export industries such as tourism and international education begin to recover to pre-pandemic levels.

A recovery that leaves working people behind is no recovery at all. If our goal is to restore economic growth that will support better living standards for all Australians, rather than simply increase headline growth rates and the wealth of those already doing well, an increase of 3.5 per cent in the minimum wage, to keep incomes just ahead projected cost of living increases over the coming year, is essential and must not be delayed.

The minimum wage in Australia

What is the minimum wage?

Australia's minimum wage is the lowest hourly rate of pay that must, by law, be paid to all employees aged 21 years or older. The minimum wage is set by the Fair Work Commission (FWC) and is reviewed annually through the Annual Wage Review.

From 1 July 2020, Australia's minimum wage is $19.84 per hour, or $753.80 for a full-time employee working a standard 38-hour week. This is the legal pre-tax minimum rate of pay for permanent employees, and does not include overtime or other penalty rates such as weekend or public holiday loadings.

Permanent part-time workers on the minimum wage are paid according to the legal minimum wage on an hourly pro-rata basis, while casual employees are paid the minimum hourly rate of pay plus a casual loading, which is specified as 25% in the FWC's minimum wage determination.

The minimum wage does not include superannuation, which must be paid at a minimum 9.5% (to rise to 10% from 1 July 2021) on top of the minimum hourly rate of pay.

How many workers benefit from a minimum wage rise?

The FWC estimates that approximately 180,000 workers, or 1.7% of all Australian employees, were paid the minimum wage in 2019. This is the number of casual, part-time or full-time employees who receive the minimum wage and whose employment is not governed by any industrial award, or by individual or enterprise bargaining agreements that would alter their pay and employment conditions.

Unlike many comparable developed nations, Australia does not have a single minimum rate of pay for workers across all industries. Rather, remuneration of workers in different industries are subject to a system of industrial awards – minimum rates of pay and conditions set out in specific awards applying to different industries.

On top of those workers governed by the minimum wage, a further 21% of Australian employees, or over 2 million workers, are paid a minimum hourly rate of pay that is set within an industry-specific award, and which responds to the FWC decision on the national minimum wage.

In total, then, the hourly rate of pay for around a quarter of all Australian employees is affected either directly or indirectly by the decision of the FWC on the appropriate rate of the national minimum wage set through the Annual Wage Review (AWR).

The decision of the FWC in setting the minimum wage, therefore, has significant implications for the incomes of almost half of working households, and for the wider economy.

Who are the workers who benefit from a minimum wage rise?

The workers whose rates of pay are set, either directly or indirectly, by the FWC's annual decision on the minimum wage are overwhelmingly those people who work in the foundational economy, in the jobs that provide the essential goods and services that people consume and interact with every day (see Table 1).

Table 1: Award reliance across industries (award-reliant employees in each industry), May 2018

Industry	Award-reliance by percentage of employees	Award-reliance by no of employees
Accommodation and food services	43.2%	346,999
Administrative and support services	39.5%	258,085
Other services	34.1%	128,641
Health care and social assistance	31.0%	454,851
Retail trade	29.3%	320,261
Rental, hiring and real estate services	26.4%	54,109
Arts and recreation services	21.1%	35,901
Manufacturing	19.4%	137,225
Wholesale trade	14.6%	68,011
Construction	14.1%	111,787
Transport, postal and warehousing	11.3%	50,119
Public administration and safety	10.6%	78,778
Education and training	9.5%	99,692
Professional, scientific & technical services	6.8%	57,593
Information media and telecommunications	6.5%	9,791
Financial and insurance services	4.7%	19,126
Electricity, gas, water and waste services	3.9%	3,918
Mining	0.9%	1,435
All industries	**21.0%**	**2,236,323**

Source: ABS Employee Earnings and Hours, May 2018, all employees

During the pandemic year of 2020, the fundamental importance of foundational workers to the basic functioning of society and the economy was thrown into stark relief. As many higher-income workers in the 'knowledge economy' and the professions locked down at home, working from dining room tables and lap tops on knees, it quickly became evident that the workers who keep society ticking over are those who provide essential goods services and cannot easily work from home.

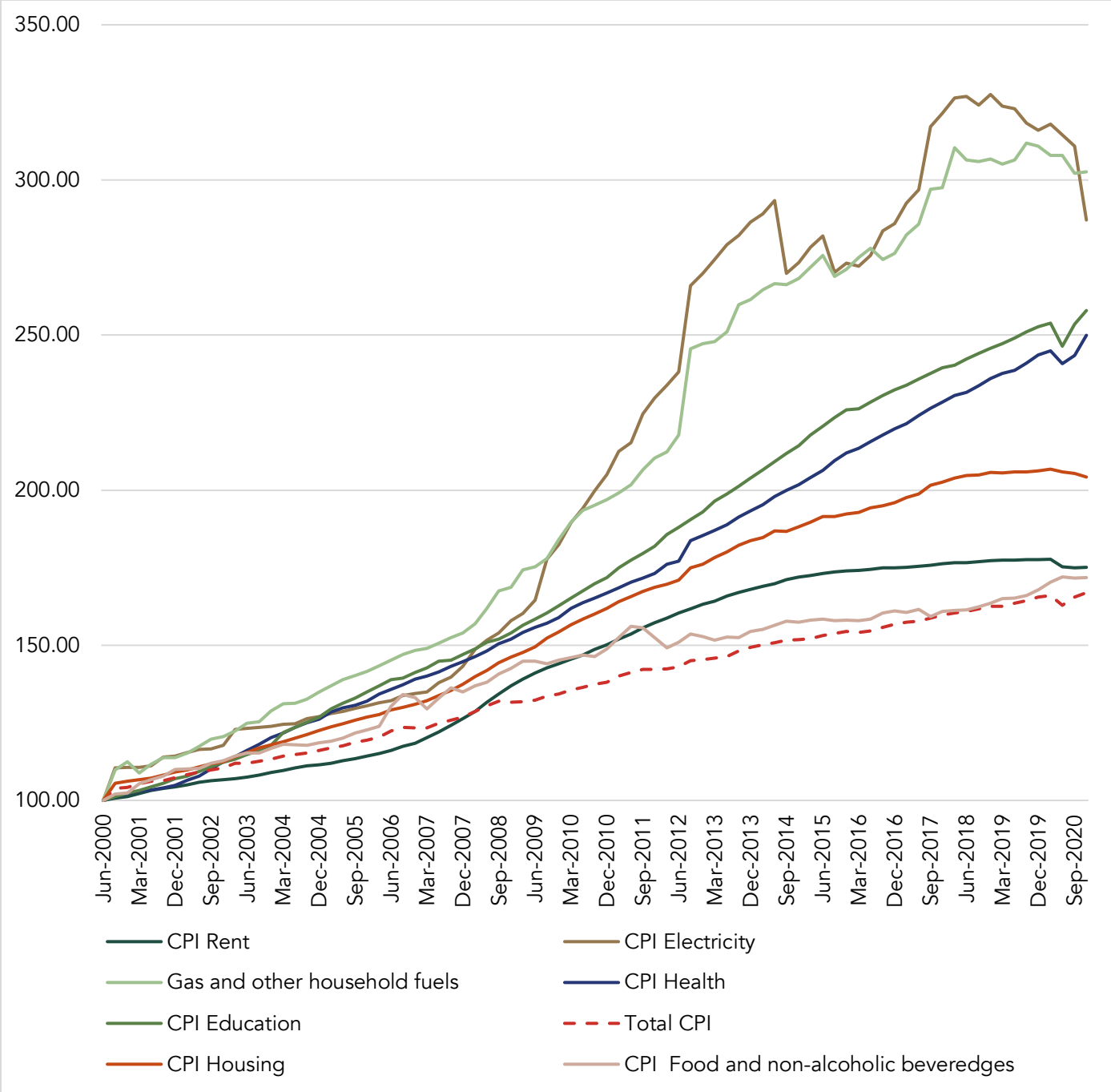
As seen in Table 1, the workers most likely to rely on an award wage include those in the services, healthcare and social assistance sectors, who were on the frontlines of our response to the pandemic. Others work in the industries hit hardest by the widespread economic lock-downs necessitated by the spread of the virus, such as retail trade, accommodation and food services and arts and recreation services. They are also amongst the lowest paid workers in our economy.

The very people who bore the brunt of the health and economic crisis wrought by the COVID-19 pandemic are those who rely on the FWC's minimum wage decision to ensure that the income they derive

from their essential work continues to keep pace with the cost of living, and provide them with a life of dignity and security.

For years before the pandemic hit, pay packets in Australia had struggled to keep up with the cost of living. Wages have barely kept pace with inflation for the better part of a decade; no matter how hard they work, ordinary working people are struggling to keep their heads above water, as the prices of essential goods and services such as housing, energy and transport increased far more quickly than did the total Consumer Price Index (CPI) or wages (see Figure 1).

Figure 1: Cost of non-discretionary spending versus CPI



Source: ABS 6401.0 Consumer Price Index, Table 13

To countenance a model of economic recovery that does not include an adequate pay rise for the workers who saw us through the worst of the health and economic crisis is not only morally indefensible, it is economically reckless.

As we shall see, the economic fortunes of the one-in-four Australian workers whose incomes rely on a decent increase in the minimum wage are key to Australia's economic recovery, not only because of the essential goods and services they provide but because their spending as consumers in the economy is arguably the most important input to economic growth in the short and medium-term phase of the recovery.

Yet, despite the critical importance of these workers to our society, and the widely accepted need for strong consumer spending, driven by wage growth, to support the economic recovery projected in the 2021 federal budget, both the Government and key business lobbyists oppose a meaningful increase in the minimum wage this year, apparently stuck in an out-dated mindset that sees the wages of workers as a cost to business, rather than as an investment in the health and sustainability of the Australian economy.

If Australia is to realise the benefits of its successful management of the pandemic, and restore our economy quickly, sustainably and fairly, this obsolete economic thinking and narrow self-interest must be defeated.

The economic case for a minimum wage rise

No wage growth means no consumer spending growth

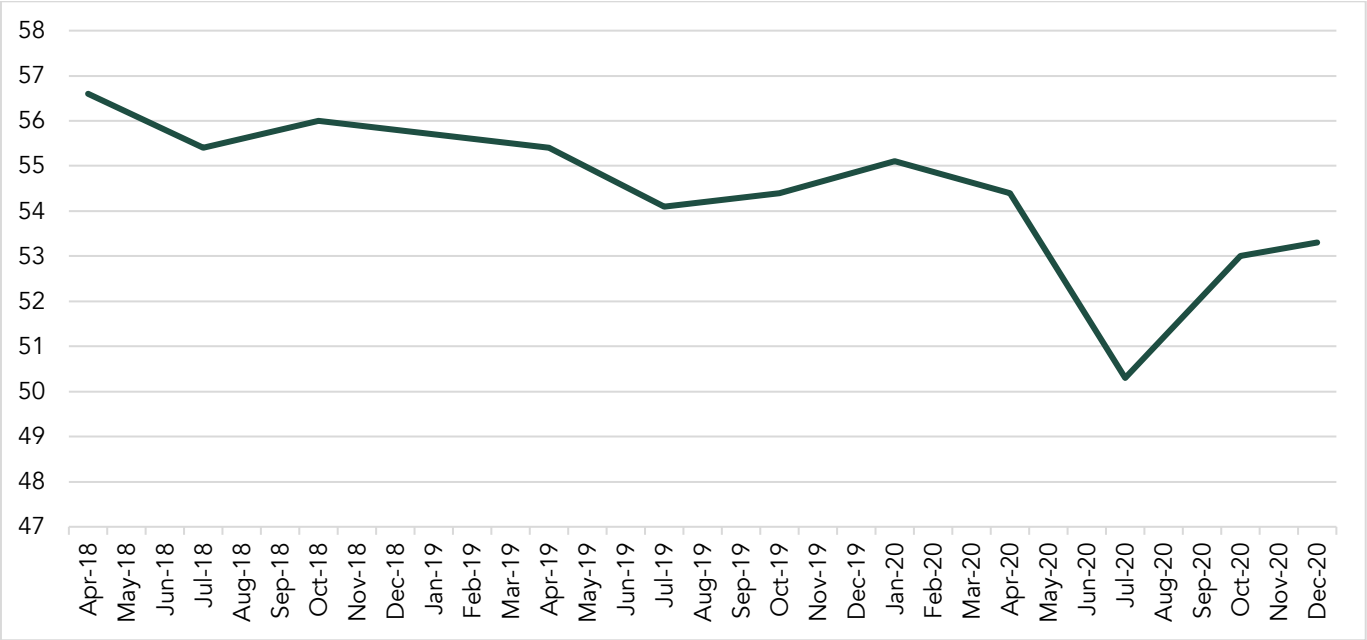
Well over half of Australia's economy relies on consumer spending, and consumer spending isn't driven by employment growth, but by household income growth. It is income growth – real increases in household income against household expenditure – which provides working people with the confidence to spend on discretionary items that boost local economic activity.

Put simply, if people don't have enough hours of work, or if their hourly rate of pay is insufficient to meet the growing costs of living, they won't have sufficient money to spend into the economy: security is critical to confidence.

Consumer spending took a massive hit at the height of the pandemic, as retail and hospitality businesses were forced to shut down. It was this sudden and almost complete collapse in demand that was responsible for the huge and sudden economic shock that hit economies around the world as the pandemic took hold. Consumer spending in Australia dropped from around 55% of GDP before COVID-19 to just over 50% in July 2020.

In the months since, consumer spending has recovered, but at the end of 2020 it remained at just 53.3% of GDP, well below its usual level, which will be needed to restore growth in line with budget forecasts (see Figure 2).

Figure 2: Household consumption as a percentage of GDP



Budget papers released on Tuesday 11 May reveal that the Government's projected economic growth is predicated on an assumption that consumer spending will growth by a massive 5.5% in the 2021-2022 financial year. This is a highly optimistic assumption, given that consumer spending has not grown at such a pace in more than two decades, and that the same projections predict weak wage growth across the same period.

These figures reveal the inconsistency at the heart of both the Government's budget projections and the arguments of the business lobby to hold down wages. With such a significant proportion of Australia's economic growth reliant on household consumption rebounding by 5.5% in the next financial year, suppressing the wages of households in the low- and middle-income brackets, who are most likely to be affected by the AWR decision, will actively work against the Government's expectations for economic growth based on domestic consumption.

Moreover, holding down wages while asset prices soar is a sure-fire way to widen the economic divide in Australia – to increase the wealth of the wealthy, and restrict the social mobility of the working class.[1] Without strong growth in wages over coming years, the legacy of the pandemic will be a vastly more unequal society.

[1] https://www.abc.net.au/news/2021-04-14/house-prices-australia-climbing-not-for-the-reason-you-think/100065644

The risk of a 'K' shaped recovery

Australia's macroeconomic recovery from the COVID-19 recession has been strong and, compared to the dire forecasts of mid-2020, rapid. However, despite a strong resurgence in asset prices and a falling headline unemployment rate, the reality is that Australia's broader economic recovery threatens to take the shape of a 'K' rather than a 'V': that is, some people will do very well, while others will fall deeper into insecurity and poverty.

There is, of course, the well-documented divide between those working Australians who held on to their jobs during the pandemic and managed to save money and pay down debt, and those who lost jobs and hours of work, experienced housing stress and are still struggling to return to the level of income and employment security they enjoyed before the onset of COVID-19.[2]

Profits are up, wages are down

Beyond this unequal outcome between workers, however, is a larger and more pernicious source of inequality, one that has been growing for years and which the pandemic has made worse: that between those who earn their income from labour (workers) and those who rely on capital returns (the holders of assets, particularly owners of medium and large businesses, both privately and as shareholders).

The fortunes of asset holders, particularly the owners of medium and large businesses, and wage earners were sharply divided during the pandemic year. Following the first wave of the pandemic, the National Accounts released by the Australian Bureau of Statistics (ABS) for the June 2020 quarter showed that company profits had increased by an extraordinary 14.9 per cent, while wages (categorised by the ABS as 'compensation of employees') fell by 2.5 per cent, the biggest quarterly drop on record.[3]

If Australia is to avoid become a society riven by class division and economic inequality between the capitalist class and the majority class of workers, the extraction of productivity share by capital from the wage share of productivity must be halted and reversed.

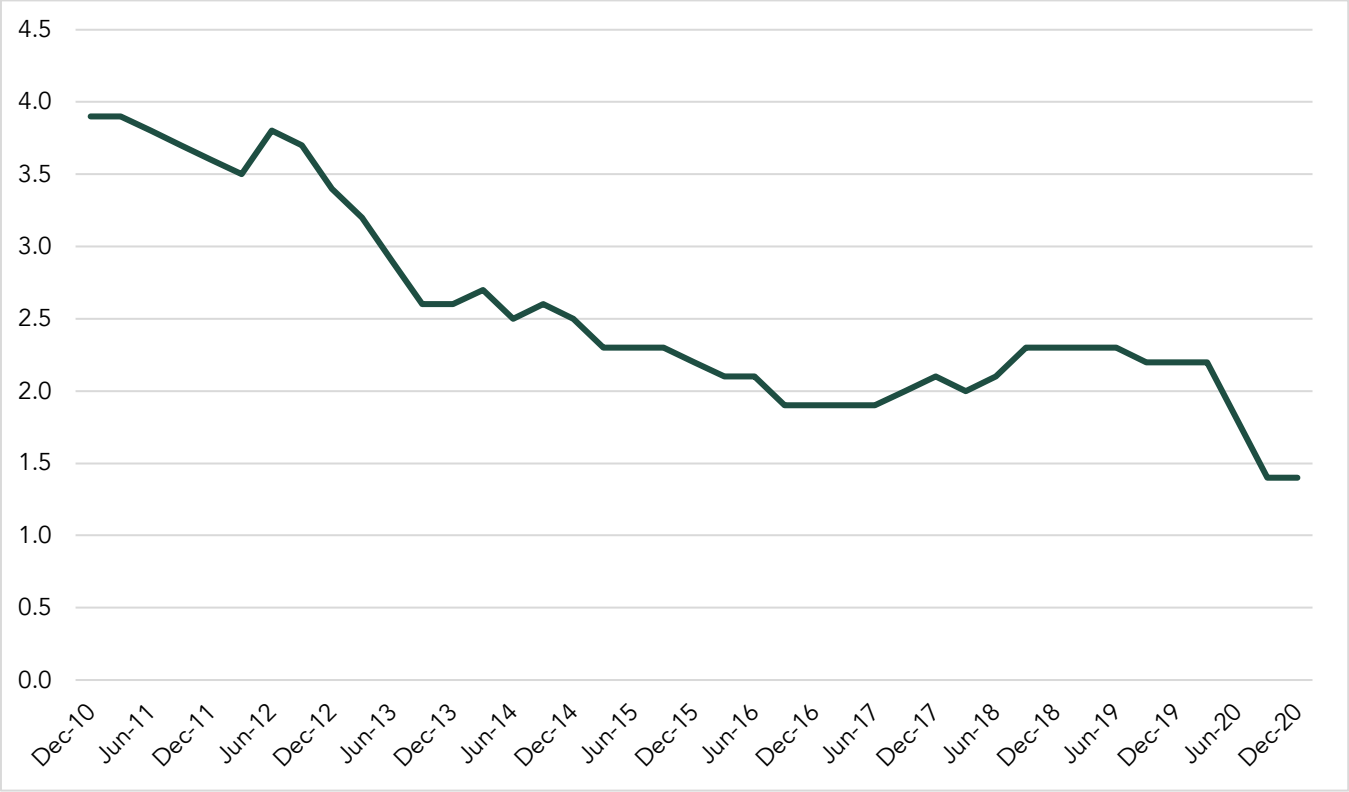
Unfortunately, recent history shows that business owners and employer groups will not voluntarily provide a fair share of income to wages, and that government is not inclined to intervene to ensure that they do. This means that determined action to increase the minimum wage by a factor that exceeds current inflation is the best tool available to the workplace regulator to achieve an outcome for wages on which, as we shall see, our economic recovery and social cohesion depend.

[2] https://www.abc.net.au/news/2021-02-23/covid-australian-economy-winners-and-losers/13159044
[3] https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/jun-2020

Weak wage growth precedes the pandemic

In truth, the impact of COVID-19 has merely exacerbated a decline in the share of national income going to workers that has been evident since the 1970s. Even before the onset of COVID-19, the level of underutilisation in our labour market was unacceptably high and growing year-on-year, and this 'slack' in our labour market has held wage growth down, despite increasing labour productivity and profit growth. Wages for Australian workers have been stagnant for the better part of a decade and show no sign of recovering to a rate of growth that allows working families to keep pace with the inflation of prices in such essential goods and services as housing, energy, health, and education (see Figure 3).

Figure 3: Wage growth in Australia 2010 – 2020



Source: ABS Wage Price Index, December 2020

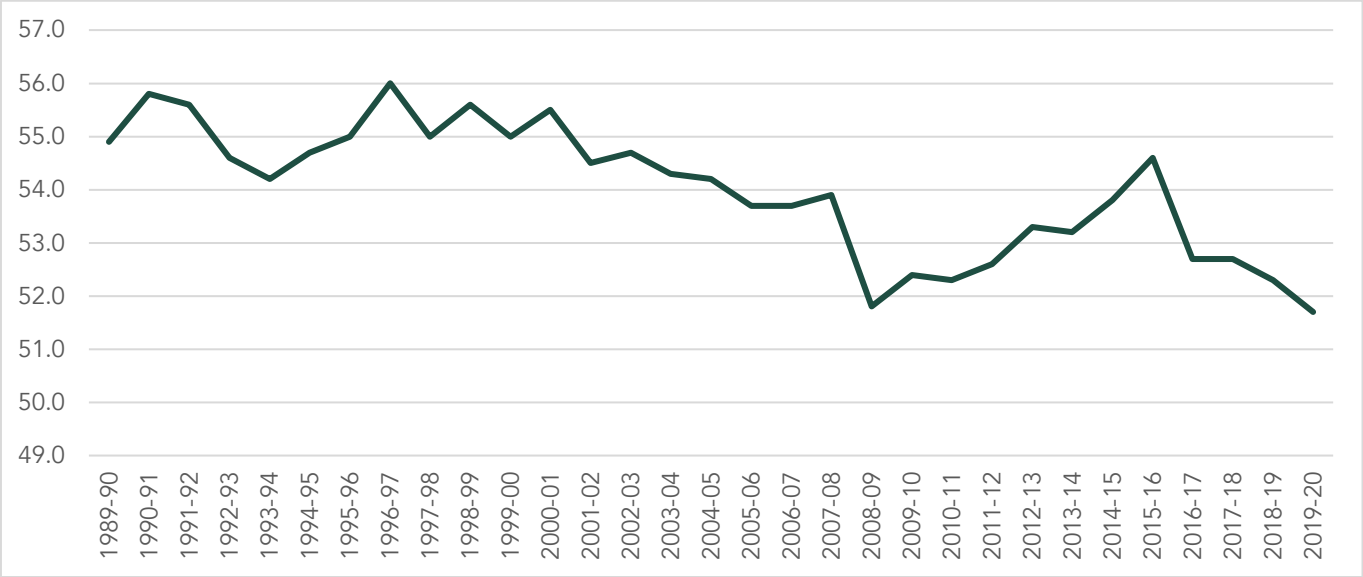
Recent ABS data demonstrates that the impact of COVID-19 appears to be exacerbating the longer-term downward trend in wage share. The effect of job losses, reduced hours and income and changes in consumer spending that hit the economy in 2020 saw the share of national income going to wages fall to its lowest share in more than half a century (see Figure 4).

This was noted by the Australian Bureau of Statistics in its annual National Accounts for the 2019-2020 financial year:

> *In 2019-20, compensation of employees (COE) share of total factor income fell to 51.7%, the lowest share since 1963-64. COE grew 3.5%, below the ten year average of 4.5%,*

reflecting changes to the composition of the labour market and slow growth in the wage rate.[4]

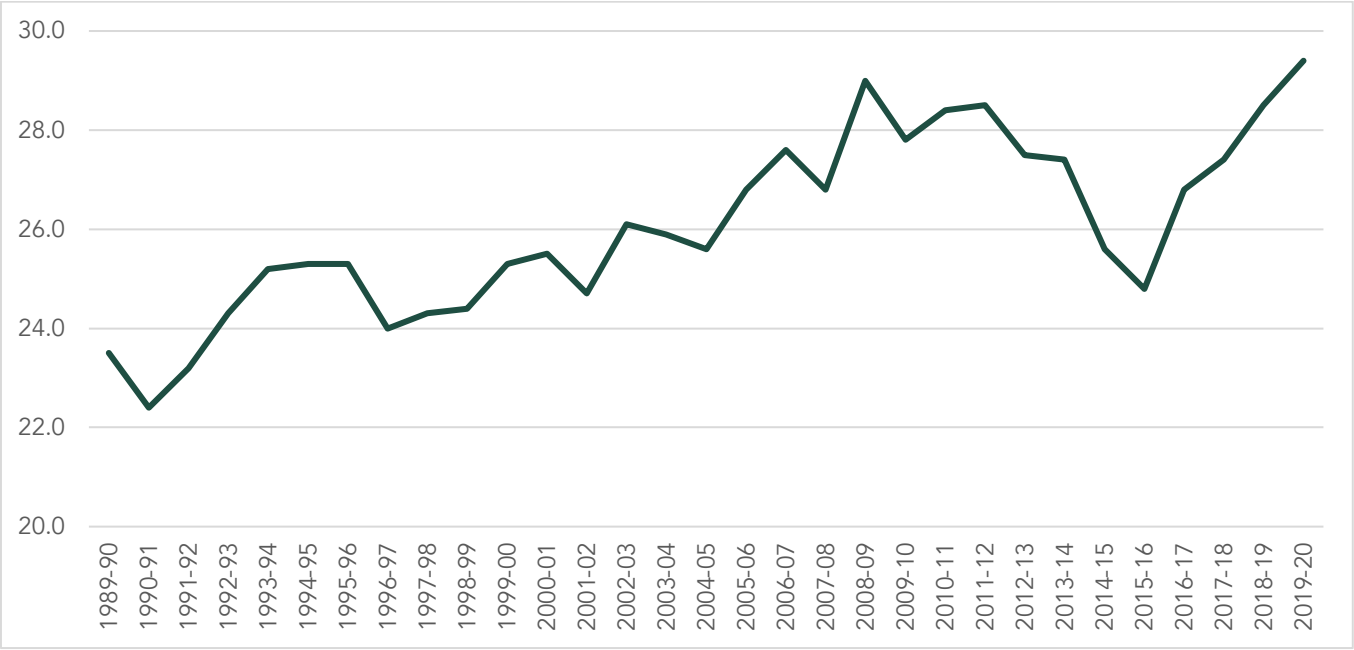
Figure 4: Wages share of total factor income (percentage)



Source: ABS National Accounts, 2019-2020

At the same time, the share of national income, or productivity, going to profits reached 'highest share in recorded history' of 29.4% in 2019-20 (see Figure 5).

Figure 5: Profits share of total factor income (percentage)



Source: ABS National Accounts, 2019-2020

[4] https://www.abs.gov.au/statistics/economy/national-accounts/australian-system-national-accounts/latest-release

While the acknowledging that a significant part of the profit increase was driven by a large increase in gross operating surpluses (GOS) in the mining sector due to strong international demand for iron ore, the National Accounts also noted that:

> *The rise in private non-financial corporations GOS excluding mining reflects the receipt of COVID-19 related subsidies by business. Subsidies that were not used by businesses to pay wages or operating expenses were retained in profits.*

This is an explicit acknowledgement from the ABS that profits in the non-mining sector were significantly bolstered by the retention of government wage subsidies as profits. That is, enough businesses received JobKeeper payments that they did not actually need to retain workers on their payroll and, rather than returning excess taxpayer funds, put them directly into their bottom lines, increasing profits and returns to shareholders.

Perhaps the most notorious instance of such profiteering at taxpayer expense is that of the Harvey Norman chain of retail outlets, which has increased its profit line with more than $22 million in JobKeeper subsidies over the last twelve months, despite recording record sales and profit growth as consumers made large appliance purchases online during the health crisis last year.

Big business versus the recovery

The employer lobby wants lower wages

Given the willingness of some medium and large businesses to take advantage of the rushed design of the JobKeeper wage subsidy and pocket over-payments, we should not be surprised that their approach to this year's annual wage review is to lobby for further wage suppression. Rather than grow the revenue of their operations, and thus their profits, through investment in their workforces or in productivity-enhancing technology and innovation, Australian business has for some years shown a preference for simply cutting costs, the largest of which for non-mining sector corporations is almost always the wages of workers.

This lazy and self-serving attitude from business leaders was holding down growth and putting significant pressure on living standards for at least seven years before the pandemic hit; as we emerge from the crisis with record levels of public and debt and unemployment, rapidly inflating asset prices and sluggish wage growth, a continuation of this approach would actively undermine Australia's economic recovery.

A deliberate business strategy of suppressing wage growth will work directly against the efforts of monetary and fiscal policy makers to lift inflation back to the long-term target of 2 – 3 per cent through an increase in domestic consumption over the next two years. Yet this is exactly what is playing out in submissions to this year's Annual Wage Review. In their submissions to the AWR, business lobby groups including the Australian Chamber of Commerce and Industry (ACCI)[5] and the Australian Industry Group (AIG)[6] are urging FWC to limit any increase in the minimum wage to just 1.1 per cent, well below the rate of inflation predicted by the federal government's budget papers earlier this month, and even short of the government's expectations on wage growth (see Table 2).

Table 2: Major Economic Forecasts – Federal Budget 2021-2022

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Real GDP	1.25	4.45	2.5	2.25	2.5
Unemployment rate	5.5	5	4.75	4.5	4.5
Inflation (CPI)	3.25	1.75	2.25	2.5	2.5
Wages (WPI)	1.25	1.5	2.25	2.5	2.5

Source: Commonwealth of Australia, Budget Paper No. 1, Table 1.2

This would see the roughly one in four workers whose take home pay is directly or indirectly determined by the national minimum wage (NMW) decision experience a real cut in take-home pay of more than 2 per cent over the coming twelve months: hardly the conditions to support an increase in consumer spending.

[5] https://www.fwc.gov.au/documents/wage-reviews/2020-21/submissions/ara-postbudgetsub-awr2021.pdf
[6] https://cdn.aigroup.com.au/Submissions/Workplace_Relations/2021/Annual_Wage_Review_2020-21_march.pdf

Other employer groups have similarly urged 'caution' upon the FWC when it comes to increasing the minimum wage, arguing that the uncertain outlooks for business during the recovery phase means that wages must be held down in order for employment rates to pick up.

Despite the record profits of some major retailers over the last 12 months, even the Australian Retail Association (ARA) is calling on the FWC to cut workers' wages in real terms, with its submission asking for the decision on the NMW to be deferred until 30 November 2021, pending the release of GDP figures in September and ABS retail trade data in November.[7]

The FWC, in considering this argument, should be mindful similar pleas were made by the retail sector last year, resulting in the 2020 AWR decision to delay a very modest 1.75 per cent wage increase for retail workers on the Group 3 Awards for seven months, to 1 February 2021. The argument then rested on predictions by the retail sector of a collapse in revenue for large retailers, forecasts that were ultimately proved wrong as big retail companies have enjoyed huge profits during and since the height of the pandemic, while the incomes of their workers have gone backwards in real terms.

Even if the official data shows 'substantial GDP and retail trade growth' later this year, though, the ARA submission to the AWR still argues that any increase in the minimum wage 'should be limited to CPI' – that is, wages should be kept in line with cost-of-living increases, forcing yet more years of stagnant living standards on Australian workers.

Such arguments from business lobbyists are not only breath-taking hypocritical in the face of its members' roaring fortunes, they are also economically dangerous, apparently ignorant of the fact that many of their customers, upon whose spending the revenues of retail businesses depend, are the very workers whose wages they wish to see go backwards against the cost of living. As seen following their successful campaign to reduce penalty rates, lower wages do not translate to more jobs, and actually hurt the revenues of the very businesses that seek to hold down wage costs to maximize profits.

Further, such arguments rest on the spurious claim that our economic recovery requires a further degradation of the right and incomes of working people. It reveals a view that that people who have been left without (enough) work due to the impact of the pandemic will be desperate enough to accept a job with lower rates of pay and greater insecurity of income than they had before the recession, or that they will continue to bear the brunt of lower profit margins for business owners by accepting an ongoing decline in real wages and living standards.

This view is both wrong and dangerous, threatening not only individual living standards but Australia's broader economic recovery.

[7] https://www.fwc.gov.au/documents/wage-reviews/2020-21/submissions/ara-postbudgetsub-awr2021.pdf

Further 'wage restraint' is at odds with monetary and fiscal policy

Along with the relentless push for further relaxation of workplace regulations and the ongoing casualization of work, the aggressive wage-suppression tactics by big business has, for years now, frustrated the efforts of the Reserve Bank of Australia (RBA) to lift inflation by stimulating wage growth and consumer spending.

In the minutes of its most recent meeting in May 2021, the RBA gave voice to this frustration, noting that "[s]pare capacity in the economy and a strong focus on cost containment by businesses were both expected to contribute to continued subdued wage and price pressures".

In short, the active suppression of wages by business leaders, when economic policy makers are actively pursuing growth, can be seen as little short of economic vandalism. Yet even while the RBA is surely welcoming the late conversion of the Federal Treasury to a more expansionary fiscal policy to support full employment, the Federal Government is complicit in the push by business to hold wages down.

In its own submission to the Fair Work Commission's Annual Wage Review, currently underway, the Government has argued that lifting the hourly rate paid to Australia's lowest-income workers would impose a 'major constraint' on the nation's economic recovery, saying that:

> *Given the current uncertainties in the domestic and international economic outlook, the government therefore urges the panel to take a cautious approach, taking into account the importance of creating jobs for Australians and ensuring the viability of the businesses'.*[8]

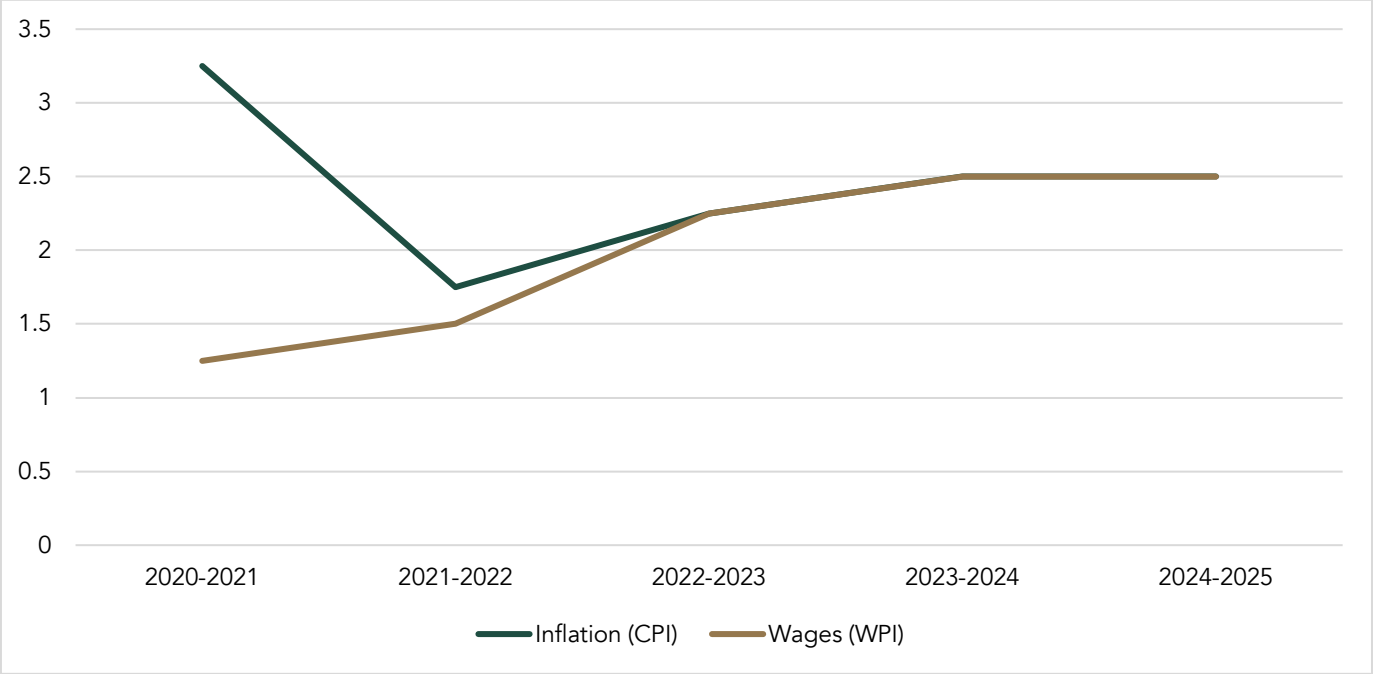
Effectively, the Government is siding with business in urging the FWC to minimise or delay any increase to the minimum wage.

This reasoning is at odds with Treasury's recent, pre-budget embrace of a lower unemployment rate as a means to drive growth. In abandoning the rhetoric of 'debt and deficit disasters' and announcing an intention to pursue 'full employment' of around 4.5%, the Government has rightly recognised the extent to which Australia's economic recovery relies on maximizing the capacity of the economy and increasing the spending power of Australian households by getting as many people as possible into the labour market.

To simultaneously pursue full employment through fiscal policy, and argue for wage restraint through our wage arbitration system, is a contradictory and self-defeating position for fiscal policy makers. In short, the Government expects consumption to increase while real wages go backwards for at least two years, and then return to pre-pandemic stagnation in the three years following (see Figure 6).

[8] https://www.fwc.gov.au/documents/wage-reviews/2020-21/submissions/ausgov-sub-awr2021.pdf

Figure 6: Treasury forecasts of wage growth and inflation



Source: Commonwealth of Australia, Budget Paper No. 1, Table 1.2

This is an economically illogical position, and arguably demonstrates a fundamental misconception of the relationship between employment and economic growth. That is, it matters not just how many jobs are created in the pursuit of full employment, but that those jobs are reliable, secure and well-paid.

Conclusion

The 2021 Annual Wage Review will be conducted in the context of a significant shift in fiscal policy, away from the pursuit of balanced budgets, at least in the short-term, and towards the goal of achieving full employment in order to lift consumer spending and inflation. Yet the submissions to the AWR reveal a significant disparity between the rhetoric of supporting household incomes and wage growth, and the reality of an approach to industrial relations by both business and government that still sees the wages or workers as a business cost to be reduced in the pursuit of profit.

A renewed Government focus on reducing the headline unemployment rate is welcome, but will likely be insufficient to drive the growth needed for Australia's economic reconstruction. So far, the majority of jobs that have returned since the height of the recession have been part-time, with full time positions still well behind pre-COVID levels.[9] Under-employment is likely to remain high, and it is this slack in the labour market – the number of people who may have a job but are seeking more hours of work – that has been primarily responsible for the stagnation in wage growth over recent years.[10]

Yet the Government seems to have no plan for wage growth – apparently, in fact, quite the opposite, having thrown its weight behind business demands to minimise any increase to the minimum wage.

The purpose of achieving full employment is not simply to produce a nice set of numbers: full employment as a fiscal tool to drive growth only works if the jobs of working people come with secure conditions and rates of pay that allow ordinary families to spend on more than the essential bills, and keep living standards growing.

That employers are again calling for 'restraint' in providing a wage increase, after banking strong profits and funnelling government wage subsidies to shareholder dividends and executive bonuses throughout the pandemic, clearly shows that the aim of big business is to hold down wages in perpetuity, and to maximize company profits at the expense of rising living standards and broader economic growth.

Such arguments are a threat to Australia's economic recovery from the pandemic, and must be firmly rejected by the Commissioners at the FWC. At a time when there are hundreds of billions of public dollars sloshing through the share market and pushing up asset prices, it is economic vandalism to actively suppress wages for people who live off the income from their labour. Not only will a decision to limit wage growth for low and middle-income earners hold back Australia's economic recovery, it will widen inequality and reduce social mobility.

Despite record levels of government debt and spending, should the FWC accede to the demands of the business lobby and its supporters in government, all we will have to show for this massive fiscal injection in a decade's time is a much wealthier upper class, a poorer working class and a shrunken middle class.

That is not the kind of recovery Australians want, or deserve. As we rebuild our economy after the shock of COVID-19, the incomes of working people must be our first priority to restore growth, prosperity and the living standards of Australian families.

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[9] https://www.ey.com/en_au/economics/is-jobs-growth-enough-for-economic-success
[10] https://percapita.org.au/our_work/slack-in-the-system-the-economic-cost-of-underemployment/