

Thank you for the opportunity to provide feedback on the issues paper.

My comments relate to the following two matters raised in the 'plain English' version of the Issues Paper.

What works well in the system?

While no system is perfect, Australia has generally managed to avoid a system which leads to the 'working poor' – people working long hours who remain poor on any reasonable definition of the term, taking into account reasonable community expectations. I encourage the Productivity Commission to ensure that any recommendations made spell out very clearly what the effect on regular workers will be, and to avoid any recommendations that will lead to a US-style cohort of working poor.

Do you have any views about minimum wages?

Reasonable minimum wages are the marker of any society that cares for its people. There is considerable evidence that the greater equality of income among members of a society, the greater benefits for all there are in terms of health, education, safety outcomes etc. (eg The Spirit Level: Why Equal Societies Almost Always Do Better; Wilkinson and Pickett 2009). Ensuring a reasonable minimum wage which prevents the development of a US-style cohort of working poor is a vital precondition of a reasonably equal society. I would encourage the Productivity Commission to give the value of equality a high priority when formulating its recommendations.

Thank you for your consideration.

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