



**The HR Nicholls Society Inc.**

*Reforming Australia's Industrial Relations*



## **MEDIA RELEASE**

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### **THE \$19K EMPLOYMENT EXCLUSION ZONE**

The gap between the Newstart allowance and the federal minimum wage has created a \$19,000 Employment Exclusion Zone.

It is this zone – the difference between the \$12,922 Newstart allowance and the \$31,536 federal minimum wage where it is illegal for employers to take on people.

It is the ghostlands for the unemployed – those people willing to work for less than the minimum wage.

These people are the long term unemployed, young workers, students, single parents and so on.

The most recent (September 2012) ABS People Not In The Labour Force survey found there were 106,600 discouraged job seekers.

These were people who wanted to work and were available to start work if offered a job, but were not actively looking for one because they believed they would not find one.

These are the people in the Employment Exclusion Zone.

People could be offered work for less than the minimum wage, except that it is illegal for employers to do so with severe penalties that could be applied.

It is extraordinary that with unemployment rising that employers are prevented from offering work to those who want it.

The federal minimum wage should be scrapped to give people who want to work to the opportunity to do so.

Making it illegal for employers to take on people for less than the minimum wage is just one of the absurdities of an outdated industrial system.

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