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Low-paid workers must share in the economic recovery; unions to seek \$27 a week wage rise

Unions will seek a \$27 a week pay rise for workers on minimum wages who deserve their fair share of the economic recovery after unfairly shouldering the burden of the downturn.

The ACTU will seek the pay rise for 1.4 million award-dependent workers who suffered a wage freeze in the middle of last year's economic slowdown.

Announcing the amount of the claim in a speech to the National Press Club in Canberra today, ACTU Secretary Jeff Lawrence said a decent pay rise was needed to restore the real value of minimum wages.

Mr Lawrence said the ACTU's submission to Fair Work Australia's annual wages review this Friday would be for an extra \$27 a week, or 71 cents an hour.

It would lift the minimum wage from \$543.78 to \$570.78, and for the first time the National Minimum Wage would be more than \$15 an hour.

The ACTU claim would represent a pay increase of 4.2% for the average award minimum wage worker, on the benchmark tradesperson's rate.

"The real story of the Global Financial Crisis is the sacrifices made by ordinary working people," Mr Lawrence said.

"Not only did Australia's unemployment ranks grow by 185,000 and those remaining in jobs worked harder and longer days, but low-paid workers had their wages frozen.

"In true Australian fashion, its time to repay the favour for those sacrifices. Fairness says it's finally time for a decent rise in minimum wages.

"Low paid workers are resilient and resourceful. They don't want a freebie. They do it tough and they deserve a fair share."

Mr Lawrence said the ACTU's claim would be responsible and was being made in a period of economic recovery, with the outlook for a return to normal growth this year.

Pressures on inflation are low, while the case for a pay increase is strong.

Mr Lawrence said having endured a pay freeze in last year's downturn, it would be unfair for minimum wage workers to be further left behind as the economy picks up.

"Without a catch-up in minimum wages, these low-paid workers will slip further behind – increasing income inequality," Mr Lawrence said.

In his speech to the National Press Club today, Mr Lawrence also called for a review of the "social wage" to address increasing inequality in Australia.

He said this review should include a fairer and more equitable tax system, quality health care, aged care and education for all, and dignity in retirement through lifting the superannuation guarantee to 15%.

"We need to review, as a nation, how we ensure that everyone can afford the basic standards of living," Mr Lawrence said.

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