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Low-paid workers to receive an extra \$26 a week in their pay packets from today

A \$26 a week pay rise and income tax cuts that begin today will provide relief for working families faced with rising living costs, say unions.

More than 1.4 million workers will receive an extra \$26 a week in their pay packets from today, ending a wage freeze of almost two years under the Howard Government's Fair Pay Commission.

ACTU Secretary Jeff Lawrence said the pay rise, which will lift the minimum wage to \$569.90 a week, or \$15 an hour, was a dividend of both the Federal Government's successful handling of the Global Financial Crisis and its Fair Work laws.

"Today's pay rise for the low-paid highlights the risk for Australian workers of a return to WorkChoices under Tony Abbott," Mr Lawrence said.

"Under the so-called Fair Pay Commission, real award wages actually fell for more than a million workers. Last year's wage freeze was the last gasp of WorkChoices. It is an injustice that has been partly corrected by Fair Work Australia's Minimum Wage Panel.

"The new wage-setting mechanism shows that working Australians are much better off under the Labor Government's Fair Work laws. This extra \$26 a week will make a real difference to families that face higher bills for electricity, water, and other essentials from 1 July."

About 1.4 million workers will benefit from the pay rise, including cleaners, retail and hospitality staff, child care and community workers, and farm labourers.

The average worker will also be an extra \$450 a year better off as a result of tax cuts that take effect from today.

"We are seeing the results of strong economic management by the Labor Government," Mr Lawrence said. "The actions of the Government last year to implement an economic stimulus program saved 200,000 jobs in the global downturn and kept Australia out of recession, and a further 450,000 new jobs are forecast over the next two years.

"Our economy is a world-beater among developed countries, but we cannot afford to put that at risk in the hands of Tony Abbott."

New ACTU President Gerardine (Ged) Kearney, who takes office today, said the extra \$26 a week would help low-paid workers, and unions are determined to achieve more, especially for low-paid women in the social and community services sector.

Unions representing about 200,000 workers in the female-dominated social and community services sector are seeking pay rises of up to \$100 a week in a landmark pay equity test case.

"These workers are community angels – they are dedicated and highly-qualified, yet they are paid a pittance," Ms Kearney said. "It's time their work and contribution to our society and economy was properly valued."

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