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Unions to push for superannuation increase for minimum wage workers

The ACTU will ask the Fair Work Commission to increase compulsory superannuation contributions for workers on award minimum wages to compensate them for the cut to their retirement savings because of the Abbott Government's decision to freeze superannuation increases.

The ACTU will make the claim as part of its submission to increase the minimum wage.

Compulsory super was due to increase from 9.5 per cent to 10 per cent on July 1 this year under the Superannuation Guarantee.

The Abbott Government's decision to freeze the 0.5 per cent increase means 1.86 million Australians on minimum wages will have their retirement savings cut.

A full-time worker on the national minimum wage will be \$3.20 per week, or \$167.09 per year, worse off as a result.

For a 20-year-old minimum wage worker, the Abbott Government's decision to not pass on the 0.5 per cent increase in compulsory super until 2021 means they will be \$18,401 worse off in retirement.

The ACTU will seek to compensate workers for this loss by claiming an extra 0.5 per cent to the minimum super contribution in awards in addition to an increase in minimum wages.

The ACTU will lodge its submission with the Fair Work Commission on Friday 27 March.

Australian Unions also call on Treasurer Joe Hockey to lodge a submission asking the Fair Work Commission to back the ACTU's claim to ensure Australia's lowest paid workers are not disadvantaged by his decision to freeze compulsory super increases.

Key facts:

- The current national minimum wage is \$640.90 per week
- 1.86 million Australians are paid the national minimum wage or an award minimum wage
- On average, workers reliant on a minimum wage are 35.7 years old
- 57.5% of workers reliant on a minimum wage are women

Quotes attributable to ACTU Secretary Dave Oliver:

"Unions calls on Joe Hockey to back the ACTU's claim to increase the minimum wage and compulsory super to ensure Australia's lowest paid workers are not worse off.

"Maintaining a fair minimum wage is essential if Australia is to avoid creating an underclass of working poor.

"The annual minimum wage case is the only opportunity for 1.86 million of Australia's lowest paid workers to receive a pay rise.

"Research shows boosting the minimum wage is good for workers and does not have a negative impact on employment."

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