

ACTU calls for 5% increase to minimum wages

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The ACTU announced today it will seek a 5% increase in Australia's minimum and award wages as part of its submission to the Annual Wage Review.

Each year, the Fair Work Commission hears from unions, employers and Governments before setting minimum and award wages for about 2.9 million, or one in four workers, which comes into effect on 1 July 2024.

Workers on awards are about \$5,200 worse off after inflation has eaten away at their pay rises over the past three years, despite recent positive increases in award wages. The ACTU claim would help workers meet current prices rises and make up for the lost income over this period.

The ACTU submission argues that business can afford this fair and sensible increase, especially as levels of profits are well above pre-pandemic levels.

The claim would also have no negative impact on inflation, partly because the wages and hours of some of Australia's lowest paid workers are modest. Indeed, last year was the biggest increase to the minimum wage in over 40 years, and inflation dropped by 3.7%.

The increase would especially benefit women and part time workers, as 3 in 5 award workers are women and 2 in 3 are part time.

A 5% wage increase would lift the minimum hourly rate to \$24.39 and the minimum annual full-time rate by \$2,295 to take it to \$48,200.

Quotes attributable to ACTU Secretary Sally McManus:

"The lowest paid workers are the ones who are the hardest hit by inflation, they need a 5% pay increase to start to get ahead again and make up for the real wage losses over the last few years.

"When inflation goes up businesses are able to adjust their prices to protect their margins, but workers pay does not move so easily. This is why the annual wage review is so important, it is when the lowest paid workers have to chance to catch up, the result makes an enormous difference to millions of families.

“A 5% pay increase is fair and reasonable. For some perspective, the CBA posted a \$10 billion in profit last financial year. It could pay for the entire union wage claim for 2.9 million workers of 5% and still be one of the most profitable businesses in the country.”

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