

Budget delivers higher incomes for workers

Tuesday 25 March 2025

Australian Unions welcome tonight's Federal Budget as a further strong signal that incomes will continue to grow through real wage growth and tax cuts under the Albanese Government.

With the economy now strengthening, the Budget now forecasts real wages growth will accelerate over the coming years.

This is on top of the Government delivering more real wages growth over the past 12 months, than under the entire nine years of the Coalition's deliberate low-wages policies.

The Government's new Budget commitment to ban the use of non-compete clauses in employment contracts will further boost the wages of millions of low and middle-income working Australians.

The ban is projected to increase wages by up to 4 percent, or \$2,500 per year on average for affected workers.

The clauses have left workers stranded in jobs they didn't want to be in, knowing they could be earning more income elsewhere, when their families were struggling financially.

This ban will also help improve productivity by adding \$5 billion to GDP.

Non-compete clauses currently cover more than 3 million workers – or about 1 in 5 – in workplaces as diverse as hairdressing salons, childcare centres and on construction sites.

Workers in firms that use non-compete clauses are paid around 4 percent less on average than workers at other comparable firms that don't.

Australian Unions welcome two new tax cuts that will benefit low-income workers, women and young people the most.

Combined with the first round of tax cuts, this will see tax cuts of around \$50 a week for a worker on average wages, or \$2,548 a year.

The ACTU supports efforts to protect local jobs through more Future Made in Australia funding to develop critical minerals and green metals which will give manufacturing workers secure jobs into the future.

The ACTU also welcomes the extension of cost-of-living relief measures, including Energy Bill Relief of \$150. Expanding Medicare with more bulk billing and putting a \$25 cap on the price of prescriptions and guaranteeing three days of early childhood education and care will also lower costs for working families.

Good quality education is essential for our kids and for our future. A crucial element of tonight's Budget is a commitment to the full funding of public schools nearly 15 years after the landmark Gonski Review.

Quotes attributable to ACTU President, Michele O'Neil:

“Real wages are going up under the Albanese Government and this budget shows there is even stronger real wages growth on the way.

“Three million workers are now looking forward to more freedom and higher wages because of the ban on non-compete clauses in employment contracts.

“Non-compete clauses have stopped workers changing jobs even if that job will pay them more or give them better conditions, driving down wages and stifling competition.

“All taxpayers will benefit from the two tax cuts, especially low income, young, and women workers.

“Tax cuts, combined with wages continuing to rise, means this Budget delivers higher incomes for workers and their families.

“The budget also provides important support for local jobs, now and in the future with investment in green metals, critical minerals and green hydrogen. This is about ensuring we make what we need here for the energy transition and the quality jobs of the future.”

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