

GETTING WAGES MOVING:

**And the \$8,700 risk of
Peter Dutton**

April 2025

GETTING WAGES MOVING

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1. SUMMARY

Australian workers would be \$8,700 worse off today on average if Peter Dutton had achieved his goal of blocking this Government's major reforms to get wages moving, as this report shows.

The Albanese Government's election in May 2022 signalled an end to the wage stagnation Australian workers endured during the nine years of Liberal National Party Coalition Government (2013-2022). This wage stagnation was not accidental, but a 'deliberate design feature' of the Coalition's economic management.

Action by the Albanese Government has finally started pushing working peoples' wages upwards after the Coalition's long years of wage stagnation. It has raised average annual wage growth from the derisory 2.1 per cent under the Coalition to a healthy average of 3.7 per cent since 2022.

The restoration of wage growth means the average full-time worker earns \$8,700 more under the Albanese Government than they would have if the Coalition's policy-settings had continued. This has meant around \$3,000 more per year to help manage cost of living pressures.

Prior to the Coalition coming to power, wage growth averaged 3.6 percent under the Rudd and Gillard Governments. Similarly, if those levels of wage growth had been achieved throughout the nine years of Coalition Government, a full-time worker on \$74,000 per year at the time of the 2013 election would have earned \$56,900 more by 2022. They would have had an average of \$6,300 extra per year and have been much better prepared to manage the cost-of-living crisis that began in the last days of the Morrison Government.

The report examines the five key reforms the Government has used to make a difference to wages growth:

1. The Government's strong intervention into the past three Annual Wage Reviews that resulted in Australia's award and minimum wage workers receiving decent wage growth, assisting some of the lowest paid workers to manage cost-of-living pressures. In contrast, the Leader of the Opposition has refused to make a submission to the Fair Work Commission supporting real wage growth.
2. Improving collective bargaining through the *Secure Jobs, Better Pay* reforms that are now delivering the strongest pay rises in nearly 30 years, for a rapidly growing group of workers. Unfortunately, Peter Dutton has indicated he will review these collective bargaining reforms and has sent strong signals to the business community that he will reverse these changes.
3. Reducing insecure work by introducing a sensible definition of casual work, ending the corporate practice of paying labour hire workers less than directly employed workers and limiting the use of fixed term contracts. Again, the Coalition has indicated that it will reverse the changes benefitting casuals and labour hire workers.

4. Lifting public sector wage caps and bringing public sector work back in house, ensuring Australia's public sector workers were getting paid their worth and ending the practice of wasting billions on expensive consultants. By comparison, the Opposition are planning to cut 41,000 public sector jobs and have threatened to end work from home for civil servants. Delivering this would require amendments to the Fair Work Act that would weaken the right for all national system employees.
5. Strengthening equal pay and work value laws so that Australia's previously undervalued care workers, the majority of whom are women, are finally getting paid what they deserve – and committing to fund those pay rises in the Budget. The Coalition has variously described pay rises for early childhood educators as a “sugar hit”, “unorthodox” and “radical”.

The report also highlights key policies introduced in this term of government that will mean wages will keep moving, such as multi-employer bargaining; better pathways to convert from casual to permanent work; the right to disconnect; stronger laws preventing wage theft; protections for gig workers and the closing of various wage cutting loopholes.

It also provides a summary of the major parties' policies on wages for this election campaign.

For wages to keep growing, it is critical that the next Government keeps these policy settings.

Australian workers cannot afford to see low wages again become a 'deliberate design feature' of our economy, as prevailed when the Coalition was last in power. Dutton's Coalition poses a threat to the wages and standards of living of all Australian workers.

This is what is at stake in the federal election.

2. THE WAGE GROWTH CRISIS: 2013-2022

Under the previous Coalition Government's policy settings, Australia's workers saw a comprehensive slowdown in wages growth. This was not an accident. It was the direct result of what then Finance Minister Matthias Cormann called the 'deliberate design feature' of slow wage growth.¹

This was not inevitable. Between March 2008 and June 2013, under the previous Labor Government, economy-wide wage growth averaged 3.6 per cent (in a period that included the Global Financial Crisis). But from 2013-2022, wages growth dropped to 2.1 per cent. This placed workers in a vulnerable position when exposed to the cost-of-living pressures that began under the Morrison Government.

This wages crisis was driven by a series of legal loopholes exploited by Australia's biggest businesses and large multinationals at the expense of Australian workers.² It was compounded by the Morrison Government's failure to support wage increases at the Annual Wage Review to support the lowest paid workers in Australia.³

If wages growth over this period had instead matched the previous levels of average annual growth under the Rudd and Gillard Governments, a full-time worker on \$74,000 at the time of the 2013 election would have earned \$56,900 more by 2022. This would have meant an average of \$6,300 extra each year for the average worker. If this was the case, working people would have been in a much better position to weather the cost-of-living pressures that began under the Morrison Coalition Government.

For a male full-time worker on average wages this would amount to earning \$60,700 more by 2022, or an average of \$6,700 per year. A woman in full-time work would have been earning \$50,200 more over this period, or around an average of \$5,600 each year.

This era of low wage growth was bad for workers, and it was bad for the economy.

In 2017, Reserve Bank Governor Philip Lowe identified that "Growth in wages is unusually low". Lowe was clear on the economic effects of this low wage growth: "Whatever weight one places on these various factors constraining wages growth, it is clear that the slow growth in wages is affecting our economy."⁴

¹ Sam Clench, "Sixteen-second backflip turns interview into trainwreck," News.com, 11 March 2019.

² For more detail on this period see the Jim Stanford, Andrew Stewart and Tess Hardy, *The Wage Crisis in Australia*, University of Adelaide Press, 2018.

³ This is further detailed below.

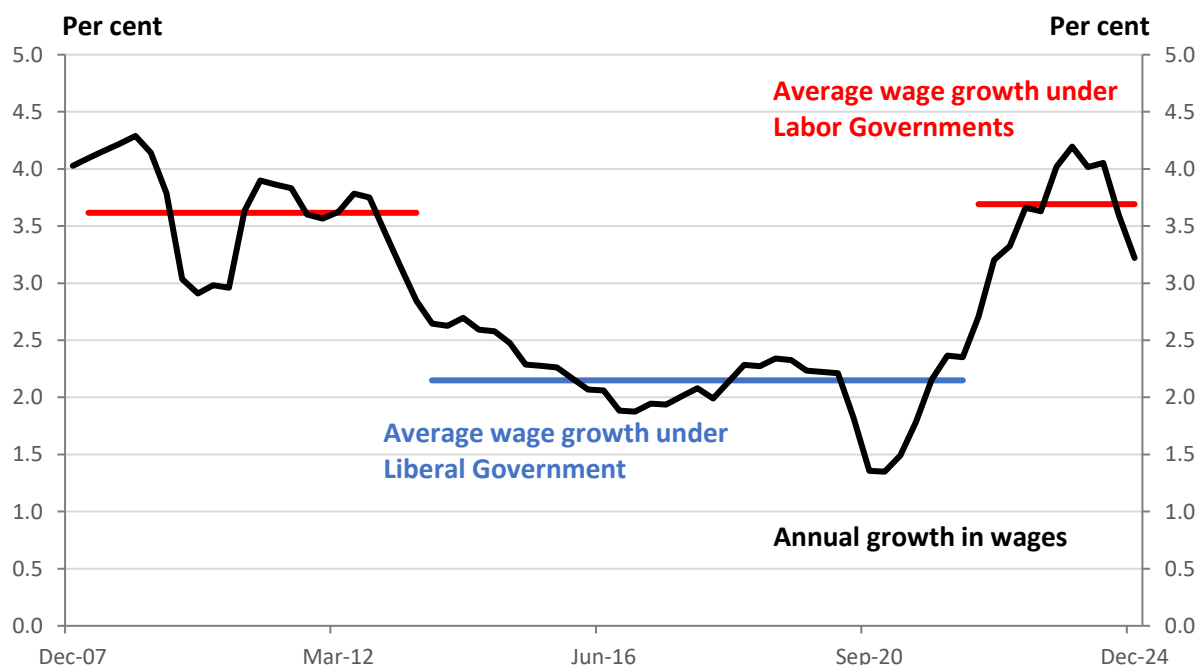
⁴ Remarks on a Panel at the Australian National University's Crawford Australian Leadership Forum", *Reserve Bank of Australia*, 19 June 2017, accessed: <https://www.rba.gov.au/speeches/2017/sp-gov-2017-06-19.html>; "Rise up and demand pay increases, Reserve Bank chief urges workers", *Guardian*, 19 June 2017, accessed: <https://www.theguardian.com/australia-news/2017/jun/19/rise-up-and-demand-pay-increases-reserve-bank-chief-urges-workers>; "Wages hitting 'sense of prosperity': RBA", *SBS News*, 13 June 2018, accessed: <https://www.sbs.com.au/news/article/wages-hitting-sense-of-prosperity-rba/u2uee1jql>

3. THE ALBANESE GOVERNMENT'S ACTION TO GROW WAGES: 2022-2025

After its election in 2022, the Albanese Government undertook immediate and urgent action to overcome the wages crisis it had inherited from the Coalition's long years of wage stagnation. The contrast in approach could not be more stark.

On 3 June 2022, just two weeks after being sworn in, the Labor Government submitted to the Annual Wage Review a recommendation that 'the Fair Work Commission ensures that the real wages of Australia's low-paid workers do not go backwards.'⁵ The Treasurer Jim Chalmers told Parliament in his first economic statement (just over a month later) that 'Australian workers now have a government with an economic plan to boost wages, not deliberately undermine them.'⁶ Through a range of measures, discussed below, including the much-needed *Secure Jobs, Better Pay* workplace reforms in late 2022, wages have begun to climb. The reversal is shown in Chart 1. Over the first term of the current Labor Government, wages have averaged 3.7 per cent, well up on the average managed under the Coalition Government.

Chart 1: Annual wage growth & average wage growth by Government



Source: ABS Wage Price Index, September 2024 & ACTU calculations

Since the election of the Labor Government, a full-time worker on average earnings of \$92,000 in May 2022 has earned \$8,700 more than they would have had wages continued at Coalition levels. This equates to an average additional \$3,000 each year to manage increased

⁵ [Australian Government submission](#) to the 2021-22 Annual Wage Review

⁶ [Ministerial Statement on the Economy | Treasury Ministers](#)

expenses. For a man in full-time work on the average wage, that equates to an extra \$9,200 on average or \$3,100 per year. For a woman in full-time work on the average wage, that equates to an extra \$7,900 on average, or \$2,600 more per year.

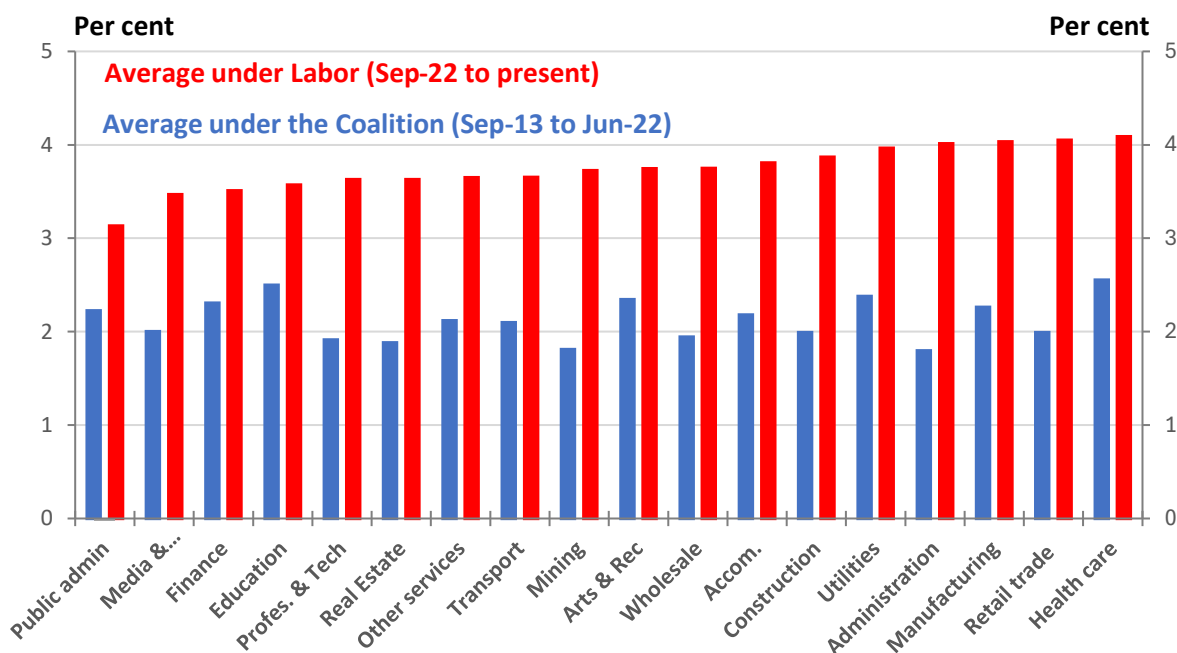
Wages improved in every State

Workers in every state and territory are earning between \$2,700 to \$3,400 more each year than they would have if the low wage growth of the Coalition era had continued since May 2022.

Wages improved in every industry

Under the Coalition, from 2013-2022, average annual wage growth slowed down in every industry. Chart 2 shows that under Labor’s first term in Government, wages growth has improved dramatically in every industry.

Chart 2: Industry average wage growth by Government



Source: ABS Wage Price Index, September 2024 & ACTU calculations

Table 3 shows this difference in dollar terms. It shows that, on average, a full-time worker is earning at least \$5,800 more under Labor. On average full-time workers are earning between \$2,000 and \$4,000 more each year, depending on the impact of Labor’s wage setting policies in that particular industry.

Table 3: Labor vs Coalition-era wage growth rates since May 2022 by industry

Industry	Total	Per Year
Accommodation and food services	\$5,900	\$2,100
Retail trade	\$6,400	\$2,300
Other services	\$6,500	\$2,300
Administrative and support services	\$7,500	\$2,600
Manufacturing	\$7,500	\$2,700
Arts and recreation services	\$7,600	\$2,700
Rental, hiring and real estate services	\$7,800	\$2,700
Wholesale trade	\$7,900	\$2,800
Health care and social assistance	\$8,400	\$3,000
Transport, postal and warehousing	\$8,400	\$3,000
Construction	\$8,500	\$3,000
Education and training	\$9,100	\$3,200
Public administration and safety	\$9,300	\$3,300
Electricity, gas, water and waste services	\$9,800	\$3,500
Professional, scientific and technical services	\$10,100	\$3,600
Financial and insurance services	\$10,400	\$3,700
Information media and telecommunications	\$10,900	\$3,800
Mining	\$13,100	\$4,600

If these trends continued?

Based on the policy settings committed to by the two major parties, we estimate that a full-time worker could be up to \$9,900 worse off on average over the next three years, or around \$3,300 worse off per year under the Coalition.

4. FIVE REASONS WAGES ARE GROWING

1. National minimum and award wages

The contrast between Labor and the Coalition's approach to the minimum wage was made starkly clear at the 2022 election.

Labor Leader Anthony Albanese was asked during the campaign if he would support a pay rise of 5.1 per cent for Australia's lowest paid workers to support their standard of living. Albanese responded: 'Absolutely'.⁷

Coalition Prime Minister Scott Morrison, in contrast, labelled this support for the lowest paid workers in Australia as 'reckless'.⁸

Since coming to office, the Albanese Labor Government has lived up to this promised support for Australia's lowest paid workers. This support has seen the minimum wage increase by 5.2 per cent in 2022, 8.6 per cent in 2023 and 3.75 per cent in 2024, while award wages went up by 4.6 per cent in 2022, 5.75 per cent in 2023 and 3.75 per cent in 2024.

This has lifted the minimum wage by \$143 a week, or about \$7,500 a year.

This support from the Albanese Government in the Annual Wage Review is critical, because the Fair Work Commission seriously considers how its wages decision relates to the Government's economic and fiscal strategy.

This support from the Labor Government has meant that Australia's lowest paid workers have seen strong pay rises (see Chart 3).

The Albanese Government's support for the lowest paid workers in Australia contrasts starkly with the Coalition's disregard for Aussies doing it tough.

In 2024, the Coalition's Shadow Finance Minister, Jane Hume, argued a modest minimum wage increase "would be the worst thing for Australia" because it would drive up inflation.⁹ Not only was this an indication of the callous disregard with which the Coalition holds hard working Australians doing it tough, it was completely economically ill-informed. Record recent increases in the minimum wage have occurred at the same time inflation has dropped from 7.8 percent down to 2.4 percent today.

When the Coalition was in office, their submissions to the Annual Wage Review were at pains to emphasise the need for caution from the Fair Work Commission, "torturing the economic data" to undermine any case for a decent pay increase.¹⁰

⁷ [Election 2022: Anthony Albanese backs 5.1% minimum wage rise to keep pace with inflation | Australian politics | The Guardian](#)

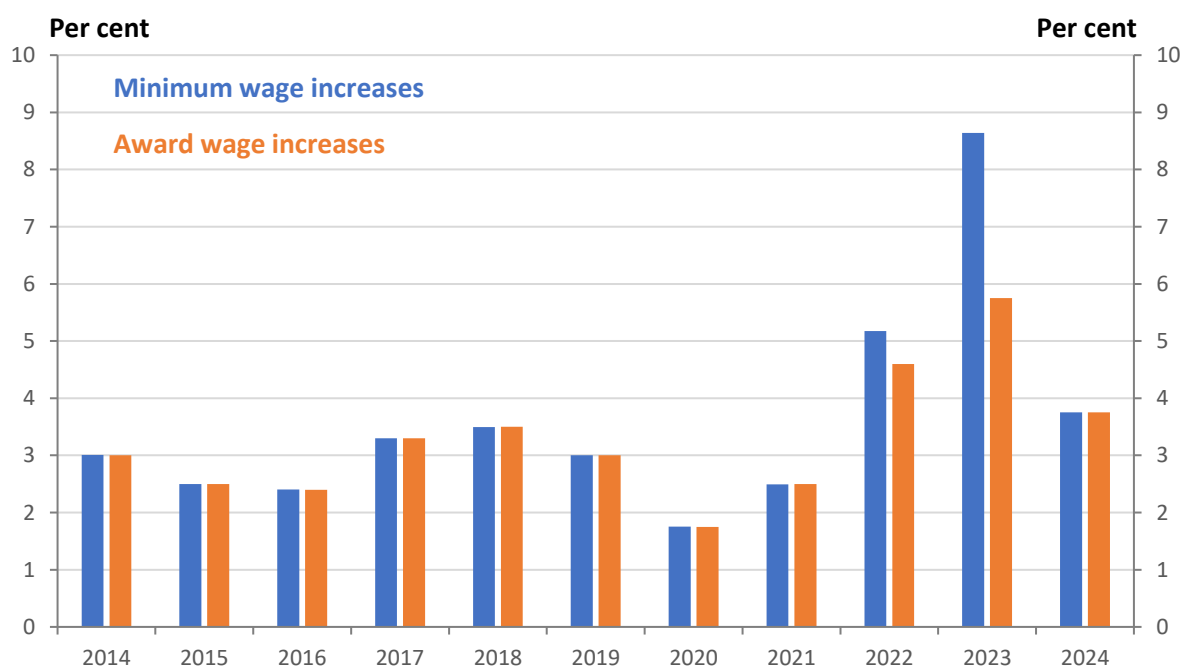
⁸ [Scott Morrison says Anthony Albanese's 5.1 per cent pay rise intervention would send interest rates spiralling - ABC News](#)

⁹ Senator Jane Hume, Interview with Pete Stefanovic, Sky, 3 June 2024.

¹⁰ Tim Lyons, Minimum Wages, *The Wages Crisis in Australia*, p. 77

For example, the Coalition’s 2018-19 submission argued that ‘there is some evidence that small businesses continue to exercise caution in taking on new employees’; that ‘wages, like all business costs, are likely to have an impact on employers’ workforce decisions’, going on to imply that raising the minimum wage will have adverse effects on employment growth.¹¹ The Coalition’s (veiled) argument was that an increase to minimum wages would jeopardise employment. With the unemployment rate currently the lowest it has been in 75 years, compared to a much higher unemployment rate prevailing under the Coalition, these warnings ring hollow and the strategy of suppressing wages for Australia’s lowest paid workers looms large – a sharp difference to the approach taken under the Albanese Government.

Chart 3: Increases in minimum and award wages



2. Collective bargaining

The Albanese Government's industrial relations reforms, passed with the support of Senators who understood the need to get wages for everyday Australians moving, have been pivotal to overcoming the wages crisis left behind by the last Coalition Government.

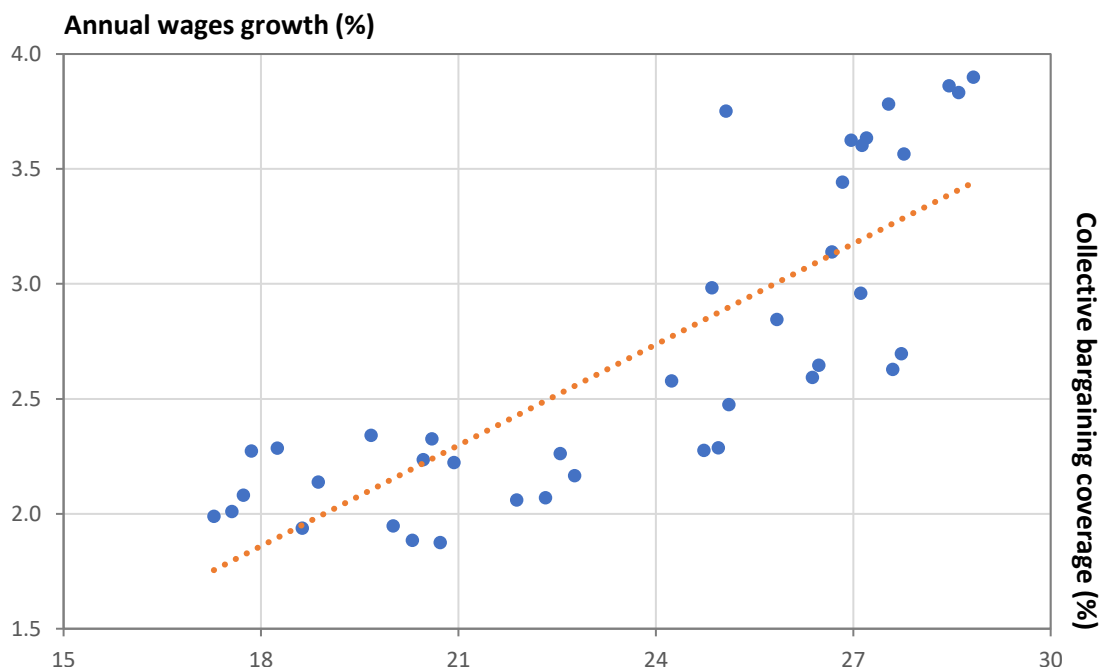
The first major reform, the *Secure Jobs, Better Pay Act 2022*, reinvigorated collective bargaining, most notably by expanding its coverage. More collective bargaining means stronger wage increases: an employee on a collective agreement earns around \$1,600 per week

¹¹ [Australian Government submission](#) to the 2018-19 Annual Wage Review

compared to around \$1,500 for all employees – making workers on a collective agreement earn on average \$100 more per week than the economy-wide average.¹²

In the decade before the pandemic, there was a strong correlation between workers on collective agreements as a share of total employees and annual wage growth – the more workers covered by collective agreements, the higher annual wages growth would be (see Chart 4). Collective bargaining coverage was driven down during the Liberal’s time in office as part of the Coalition’s plan to suppress wages growth.

Chart 4: Correlation between annual wage growth and collective agreement coverage, Mar-10 to Dec-19



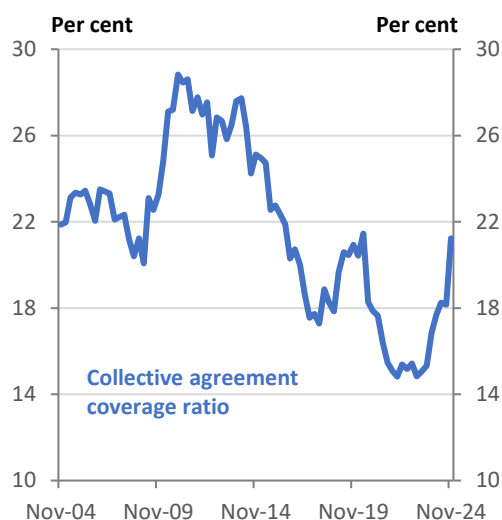
Source: Wage Price Index, Trends in Federal Enterprise Bargaining, Labour Force, Detailed & ACTU calculations

Note: Period after December 2019 period excluded due to disruptions and volatility in industry composition of employment arising from COVID-related lockdowns

Recognising the positive association between collective agreement coverage and wages growth, the *Secure Jobs, Better Pay Act 2022* helped reinvigorate collective bargaining to get wages moving again. Since the legislation passed in December 2022, around 824,000 more workers are now covered by current collective agreements, up to 2.6 million employees, or an increase of 45%. This has driven the share of total employees on collective agreements up from 15.4 per cent in the fourth quarter of 2022 to 21.2 per cent as of the fourth quarter of 2024 (see Chart 5).

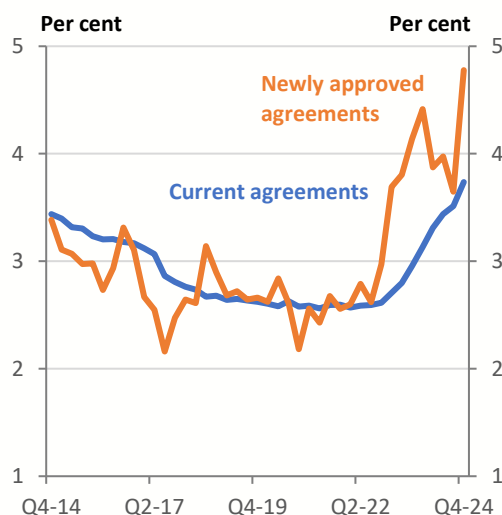
¹² [Employee Earnings and Hours, Australia, May 2023 | Australian Bureau of Statistics](#)

Chart 5: Employees on collective agreements as a share of total employees



Source: Wage Price Index, Trends in Federal Enterprise Bargaining, Labour Force, Detailed & ACTU calculations

Chart 6: Average Annual Wage Increases



Source: Trends in Federal Enterprise Bargaining & ACTU calculations

In September 2022, the Average Annual Wage Increase (AAWI) in a newly approved federal enterprise agreement was 2.6 per cent. In December 2022, the AAWI increased to 3.0 per cent. But from March 2023, the Average Annual Wage Increase shot up to 3.7 per cent, reaching renewed highs of 4.8 per cent in December 2024, fully two years after the legislation was passed by Parliament (see Chart 6). These substantial wage increases have since flowed through, raising average annual wage increases in current enterprise agreements to 3.7 per cent as of December 2024, well above the average rate of 2.7 per cent prevailing during the last term of the Coalition Government.

These positive outcomes have been the result of the Government’s intention to get wages moving through the *Secure Jobs, Better Pay* laws. As the independent Review of these laws conducted by Emeritus Professor Mark Bray and Professor Alison Preston found, ‘the early signs are positive: collective bargaining is increasing, especially the coverage of collective agreements, and wages (and other indicators of workers’ economic circumstances) have started to improve.’¹³ The *Secure Jobs, Better Pay* laws being in place will mean that as more workers are added to collective agreements, they will see improvements in their living standards through solid and continuing wages growth – a sharp difference with the Coalition’s approach when it held office.

¹³ [Draft report of the Secure Jobs, Better Pay Review - Department of Employment and Workplace Relations, Australian Government](#)

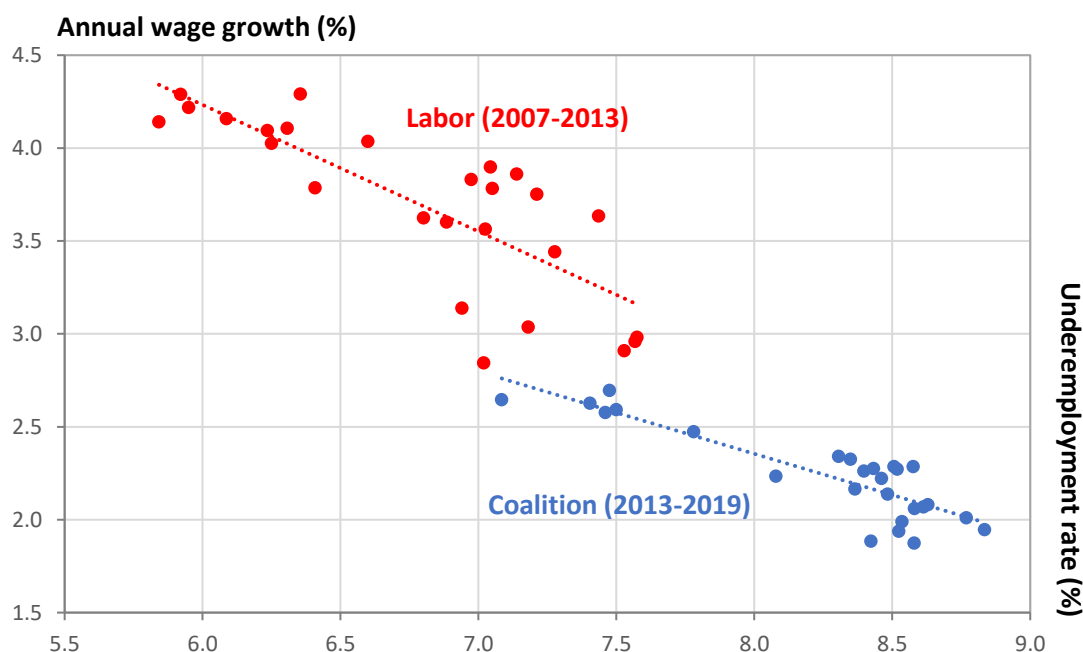
Peter Dutton and the Coalition voted against the *Secure Jobs, Better Pay* laws. If the Coalition are elected, there is a real risk that these changes will be reversed along with resultant growth in wages.

3. Tackling insecure work and underemployment

A key drag on wages before the pandemic was persistently high levels of insecure work and underemployment, a problem that Scott Morrison’s Coalition either ignored or made worse. Most underemployment is experienced by workers in non-standard and generally insecure work arrangements: including casual jobs, some part-time roles, and precarious forms of self-employment. Women workers and other workers who experience social exclusions and vulnerabilities are disproportionately likely to be trapped in forms of insecure work.¹⁴

Chronic work insecurity damaged working people’s ability to gain decent wages. Workers were unable to get the hours they wanted and were often too afraid to speak up for higher wages or more time at work for fear of having shifts cancelled or employment terminated. As a result, Australia’s workers faced weak wage growth and the strain of cost-of-living pressures. In the years before COVID-19, there was a strong and negative correlation between the underemployment rate and wages – the higher the underemployment rate, the lower annual wage growth.

Chart 7: Underemployment rate and annual wage growth



¹⁴ Stanford, Jim, Stewart, Andrew & Tess Hardy, 'The Wages Crisis Revisited', Centre for Future Work, Canberra, 11 May 2022, p. 22

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Source: ABS Labour Force, Australia, ABS Wage Price Index & ACTU calculations

Note: Period after December 2019 period excluded due to disruptions and volatility in industry composition of employment arising from COVID-related lockdowns

Fortunately, upon taking office, the Labor Government set out to address these problems. To address insecure work, the Government passed the *Secure Jobs, Better Pay* and *Closing Loopholes* laws which introduced a commonsense definition of casual work, ended the corporate practice of paying labour hire workers less than directly employed workers, and limited the use of fixed term contracts.

The Albanese Government's investment in the care economy and provision of sensible cost of living relief has kept employment solid and the economy out of recession. This responsible economic management, keeping the economy on what the Reserve Bank Governor Michele Bullock calls an 'even keel', has benefited workers as we deal with the consequences of the wage crisis and cost of living pressures left behind by the last Coalition Government.¹⁵

The underemployment rate has averaged 6.3 per cent since Labor came into office, compared to 8.5 per cent under the Coalition – meaning the Albanese Government's economic management has meant more workers can get the hours they want compared to when the Coalition was keeping wages low and jobs insecure.

4. Ending public sector wage caps

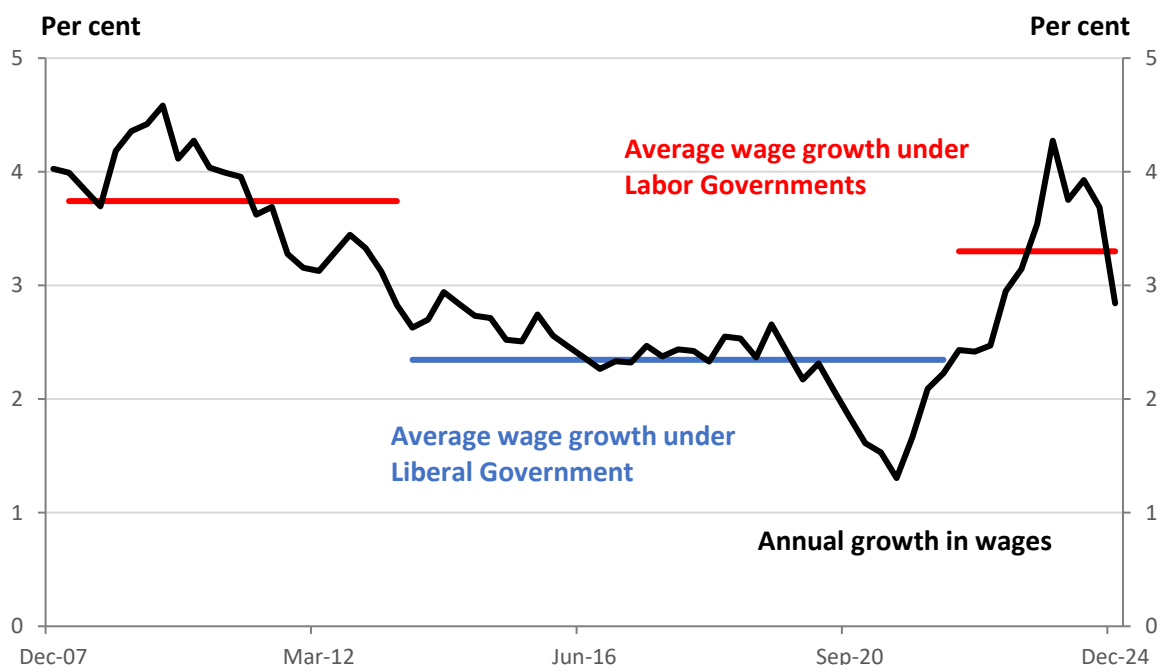
Another major contributor to wage stagnation in Australia during the Coalition's time in office was the arbitrary caps on public sector wages. The Coalition Government instituted a 1.5 per cent cap on wages growth in 2014, revising it up to 2 per cent in 2015 and then in 2021 linking public sector wages to average private sector wage growth – which averaged a mediocre 2.0 per cent over the length of that year. So unhelpful were the public sector wage caps that the then-Governor of the Reserve Bank of Australia Philip Lowe told the House of Representatives Economics Committee that 'the wage caps in the public sector are cementing low wage norms across the country', which was making the RBA's job more difficult and acting as a drag on economic growth.¹⁶

Chart 8: Annual public sector wage growth & average wage growth by Government

¹⁵ [Transcript of Question & Answer Session on 28 November 2024 | Speeches | RBA](#)

¹⁶ [ParlInfo - Standing Committee on Economics : 09/08/2019 : Reserve Bank of Australia annual report 2018](#)

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Source: ABS Wage Price Index, September 2024 & ACTU calculations

Upon its election, the Albanese Government immediately addressed this drag on economic growth. The Albanese Government removed the pay caps and began bargaining with the unions representing workers across the Australian Public Service, the Community and Public Sector Union (CPSU) key among them. In November 2023, CPSU members voted up a new agreement that delivered a significant improvement in pay and conditions for APS employees. The Albanese Government broke the low wage norms that were entrenched because of the Liberal Party's detrimental approach to wages, doing more to aid a pick-up in workers' pay in one go than the party of Peter Dutton did in nine years in office.¹⁷ The Average Annual Wage Increase for newly approved public sector enterprise agreements rose to 5.4 per cent in December 2024, up from 3.5 per cent in September 2024 and surpassing the previous peak of 5.2 per cent in December 2023 – ensuring that public sector workers will keep seeing their wages go up.

Peter Dutton has publicly committed to cutting some 41,000 jobs in the Australian public service, or about one in five of them. A return to Dutton promises cuts to the public service, risking worse services and lower wages for the workers who we rely on for important service delivery.

¹⁷ An audit of Morrison Government spending in its final year showed that it spent \$20.8 billion on consultants and outsourcing, vastly more than it would have cost to improve the capacity and wages of the Australian Public Sector. See ["\\$20.8 billion outsourcing bill could have hired triple the public servants. Greens claim"](#), Canberra Times, 14 February 2025.

5. Delivering equal pay

In the 30 years since equal remuneration provisions were introduced in 1993, there had only been one successful case to win equal pay in female-dominated sectors, given strict and technical requirements that made it almost impossible. In 2022, the Albanese Government's *Secure Jobs, Better Pay* legislation significantly strengthened the equal pay and work value provisions of the Fair Work Act 2009 to make it easier for workers in female dominated industries to address gender-based undervaluation of their work and win substantial pay rises.

These reforms saw their first test in the Aged Care Work Value case, led by Australia's union movement. In the first stages of the case, the Fair Work Commission provided an interim increase of 15 per cent to the minimum award wages for 'direct care' workers (among them registered nurses, nurse practitioners, enrolled nurses, assistants in nursing, personal care workers, and home care workers). This increase would not have been awarded without the support of the Labor Government. These increases came into effect from 30 June 2023, and the Government committed around \$8 billion over four years to fund pay increases for workers across the sector.

In the third stage of the case, the Expert Panel of the Fair Work Commission found that aged care sector employees had been historically undervalued because of assumptions based on gender. The Panel determined that there were work value reasons for the award rates of pay for direct care workers to be increased substantially beyond the initial increase, with some direct care workers receiving a 28.5 per cent increase in total. The Panel also found that the rates of pay for 'indirect care' workers should be increased.

The Aged Care Work Value case will see a pay increase across the sector for both direct and indirect care workers of up to 28.5 per cent. The Albanese Government committed to fully fund those pay increases for some of Australia's most valuable but undervalued workers.

The Stage 3 decision means the following further pay increases for aged care workers¹⁸:

1. Significant additional increases for direct care workers under the Aged Care Award on top of the 15 per cent awarded in 2023, with total wage increases for direct care workers ranging from 20.9 per cent to 28.5 per cent.
2. Significant additional increases for assistants in Nursing under the Nurses Award on top of the 15 per cent awarded in 2023, with total wage increases of between 17.9 per cent to 23 per cent.
3. An increase of 7 per cent for support workers in catering, cleaning and laundry.

¹⁸ Indirect care workers will receive their full wage increase in one go from 1 January 2025. 'Direct care' workers will receive half of the increase from 1 January 2025, and the second half from 1 October 2025.

4. A 3 per cent increase for other 'indirect care' workers, including administration, maintenance and gardening workers.

The *Secure Jobs, Better Pay* reforms have also led to strong pay rises for early childhood education and care (ECEC) workers. The first supported bargaining application made by unions was granted by the Fair Work Commission in 2023. A facilitated process, which included the Commonwealth Government as the main funder, resulted in a 15 per cent wage increase for these ECEC workers. The Albanese Government funded the increase in the 2024-25 Budget, ensuring the workers who look after our kids are getting the pay they deserve.

Further, the Fair Work Commission also commenced proceedings examining the undervaluation of work in over 24 female-dominated occupations, including in pharmacy, among health professionals, and in home care and children's services. A decision in this matter is expected soon.

5. LAYING THE GROUNDWORK FOR SUSTAINED WAGE GROWTH

The Albanese Government's policy agenda is not just providing immediate relief for workers but is also laying the groundwork for sustained growth in wages into the future. This includes the follow major reforms.

Multi-employer bargaining

One of the key parts of the *Secure Jobs, Better Pay* improvements was multi-employer bargaining. Still in its infancy, multi-employer bargaining will let workers collectively bargaining with employers with a common interest, raising wages for workers who would otherwise struggled because of low bargaining power.

Some 26 applications for multi-employer bargaining have been approved in a wide range of sectors including in early childhood education and care, disability services, air conditioning, coal mining, independent schools and for community services. Peter Dutton has committed to ripping up these laws if elected.

Preventing wage theft

The Albanese Government introduced new laws criminalising wage theft as part of the *Closing Loopholes* reforms. Coming into effect on 1 January 2025, the new laws mean that employers can face jail time or fines of up to \$7.85 million under new laws criminalising wage theft.

More than one million Australia workers could be experiencing wage theft by being paid below the national minimum wage or the lowest junior or casual rates in the awards system. This includes one in three casual workers – or 875,000 casual employees – mostly working in retail and hospitality sectors and 538,200 permanent workers.

The new laws will make a huge contribution to ending wage theft as a business model, meaning workers will get what they are meant to be paid, and dodgy employers will not get away with stealing workers' wages.

Peter Dutton and the Coalition voted against changes to combat wage theft.

Casual conversion

The Albanese Government introduced a commonsense definition of casual employment in the *Closing Loopholes* reforms. The changed definition undid a Morrison era loophole that allowed employers to label any employee a casual in their contract – regardless of the reality – and made it more difficult for employees who wanted to convert to a permanent position even harder.

The new laws make it so employees can convert to a permanent position if they choose. Conversion to a full-time position will give workers access to leave and guaranteed hours,

allowing them more certainty, security and flexibility in their jobs and lives they would not have if they were still at the mercy of the employer.

Before the reforms even came into effect employers were offering their casual staff the chance to become permanent. In New South Wales, TAFE offered over 1,700 casual staff permanent roles this year in response to those reforms.¹⁹

As a result, nine out of the ten jobs created under the Albanese Government have been permanent ones. To put it another way, an extra 230,000 people have been able to gain permanent work, over

casual work, than would have otherwise been the case if Coalition-era levels of casual employment had remained. Casual employment has dropped as a result from 24.1% of total employment down to 22.2% today.²⁰

Peter Dutton has committed to returning the definition of casual back to what it was under the Morrison Government.

Right to disconnect

The right to disconnect came into effect in August 2024 as part of the *Closing Loopholes* reforms. The right prevents employees from being punished for refusing to take unreasonable work calls or answer emails in their unpaid personal time.

Recent analysis by the Centre for Future Work found that since the laws were introduced in August 2024, the amount of unpaid overtime has fallen by 33 per cent. The decline in unpaid work was most significant for workers aged 18-29, who experienced a 40 per cent reduction in their weekly unpaid workload. The Coalition voted against these laws.

The laws mean Australian workers are getting paid for their actual hours of work and are not doing unpaid work because of pushy employers.

Peter Dutton has promised to take away people's right to disconnect if he is elected.

Closing loopholes used by big business for wage suppression

The Albanese Government implemented important reforms to close legal loopholes that were being used by some of the biggest and most profitable businesses in Australia to suppress wages.

Same Job Same Pay reforms have ended the exploitative practices deployed widely in the mining sector and aviation industry to use labour hire to suppress wages. Labour hire workers were regularly paid less than other workers doing the same job at the same worksite or workplace. A McKell Institute report found that this deliberate strategy by mining companies "created a situation where many workers in Australia's mining sector are missing out on basic

¹⁹ ACTU, [The Casual Employment Trap](#), Research Report, February 2025, page 5.

²⁰ Ibid, page 3

workplace entitlements” at great personal cost. These practices also cost local communities dearly, with the McKell Institute report estimating that deliberate wage suppression strategies having a negative economic impact of up to \$825million in the Hunter and the Bowen Basin regions alone.²¹

Changes were made to the definition of an employee to ensure casual and gig workers have more rights, protections, and choices. Businesses in the 'gig economy', for instance, used legal loopholes to avoid paying basic rates and entitlements to workers. Prior to the Albanese Government's changes, one report found that 57% of food delivery workers in Australia were paid less than the minimum wage.²²

The Government stopped employers from arbitrarily using the threat of Enterprise Agreement terminations as a bargaining tactic which had grown to endemic levels, a tactic that gave employers disproportionate bargaining power in negotiations with workers. This tactic went completely against the spirit of the laws, and was a loophole being exploited by bad employers in a diverse range of industries: universities, railways, factories, ports, airlines and hundreds of other workplaces across the country.

Finally, employers have been prevented from relying on “Zombie Agreements” to avoid payraises. A “Zombie Agreement” is an old agreement that had not been terminated or replaced by another agreement. These agreements froze workers' wage and conditions leaving them worse off. Just prior to the changes in late 2022, an estimated 450,000 workers were stuck on Zombie agreements or about 4% of the Australian workforce, including 180,000 in the accommodation and food services sectors, and 85,000 in retail.²³ For example, Baker's Delight infamously used Zombie agreement made during the WorkChoices era to keep workers trapped on \$8 an hour.²⁴

²¹ Dr. Stephen Whelan, *Wage-cutting Strategies in the Mining Industry: The cost to workers and communities* (McKell Institute, 2020), accessed: <https://mckellinstitute.org.au/wp-content/uploads/2022/02/McKell-Wage-Cutting-in-the-Mining-Industry.pdf>

²² Sarah Mawhinney, Joey Reinhard, and Marni Lefebvre, *Tough Gig: Worker Perspectives on the Gig Economy* (McKell Institute Queensland, 2023), accessed: <https://mckellinstitute.org.au/wp-content/uploads/2023/03/McKell-Tough-Gig-Report.pdf>

²³ Daily Telegraph (5 November 2022), "Albanese's industrial relations bill gives workers more pay, overtime",

²⁴ The Age (1 January 2017), "Bakers Delight faces legal challenge over wages".

6. THE CHOICE AT THE 2025 FEDERAL ELECTION

Australians have a stark choice at the 2025 federal election between an Albanese Labor Government that taken action to grow wages and with a plan for further progress, and a Dutton Coalition that has opposed those measures, has a long track record of low wage growth, and no announced plan to lift wages.

In addition to its tax cuts targeted at helping workers and its cost-of-living relief measures, the Albanese Labor Government is taking a significant plan for further wage growth to the 2025 election. This includes:

5. Advocating for real wage growth for award reliant workers in this year's Annual Wage Review. Prime Minister Albanese made clear that his government was "advocating for workers to get a pay rise to not only help them deal with the pressures of today, but to get ahead in the future,"²⁵
6. A ban on non-compete clauses that will further boost the wages of millions of low and middle-income workers. The ban is projected to increase wages by up to 4 percent, or \$2,500 per year on average for affected workers.

Dutton's Coalition has not offered any specific policies to lift wages at this election. While Dutton has offered Australians no insight on his plans for wages, senior Coalition figures have given strong indications of their intentions to unwind the recent Albanese Government reforms that have begun to repair the damage done by the last Coalition Government's wages crisis.

This includes:

7. Peter Dutton's failure to commit to supporting the Albanese Government's position at the Annual Wage Review that award-reliant workers should receive real wage growth. This is particularly notable considering the Coalition's long history when in government of refusing to support real wage increases (as explained on pages 10 and 11 of this report). The government of the day's position is a significant influence on the approach of the Fair Work Commission in the Annual Wage Review. Dutton's refusal to support the Albanese Government's position in favour of an increase, and this Coalition legacy, means working people will be especially vulnerable under a Dutton Government.
8. Peter Dutton has declared his intention to repeal changes to the definition of a casual worker that has been crucial addressing the drag on wages caused by excessive work insecurity, as discussed earlier in this report.²⁶

²⁵ "Labor pushes for above-inflation minimum wage rise despite RBA warning", *Australian Financial Review*, accessed: <https://www.afr.com/work-and-careers/workplace/workers-can-have-real-wage-rises-without-productivity-gains-watt-20250401-p5lo5p>

²⁶ "Here's what Peter Dutton says he'll do if he becomes prime minister", SBS, 12 January 2025, accessed: <https://www.sbs.com.au/news/article/heres-what-peter-dutton-says-hell-do-if-he-becomes-prime-minister/kwmpz8vj>

9. Peter Dutton has pledged the Coalition to repealing the Right to Disconnect, which is ensuring workers are being paid for the actual hours they work.²⁷
10. Coalition Shadow Finance Minister Jane Hume has lambasted the Same Job Same Pay law as merely “red tape” holding back business, and confirmed the Coalition would “look at multi-employer bargaining” which was a “regressive step” if returned to office. She refused to rule out workers having their pay cut, if those laws go and endorsed a “more flexible industrial relations system”.²⁸ Considering these statements and the Coalition’s opposition to the reforms in parliament, workers have reason to be sceptical of Dutton’s recent campaign-trail declarations that the Coalition would not repeal these changes.
11. Finally Peter Dutton has called for a ban on work from home for Commonwealth public servants – a measure that could only be implemented by changing the Fair Work Act and removing or weakening the right for all employees covered by it. It is a measure that would cause chaos for those families juggling work and care or trying to cut down on difficult commuting journeys. While he has since changed his position on this issue three times, the business lobby is strongly urging him “to cut work from home rights”.²⁹

The Dutton Coalition’s determination to repeal these reforms aligns with the business lobby and its opposition to industrial changes that have facilitated wage increases for working Australians.

We have already witnessed these business lobby groups campaigning for changes to industrial relations laws that would undo all the hard work of the past few years to overcome the wages crisis left behind by the last Coalition Government. At this election, these business lobby groups have made clear what is at stake.

For example, the Australian Chamber of Commerce and Industry continues its opposition to the *Secure Jobs Better Pay* laws and threatening that “Employers will continue to rally against ... the new multi-employer bargaining regime.”³⁰

The Australian Chamber of Commerce and Industry has advocated for changes to the definition of a small business that would weaken unfair dismissal rights from 1 million workers,

²⁷ “Peter Dutton promises to overturn Labor’s IR reform in the next election”, *SkyNews*, 11 February 2024, accessed: <https://www.skynews.com.au/australia-news/politics/peter-dutton-promises-to-overturn-labors-ir-reform-in-the-next-election/video/b73c3b831004808a3c16554fb8fde09b>

²⁸ “Opposition plans to scrap worker safeguards”, *Independent Australia*, 17 September 2024, accessed: <https://independentaustralia.net/politics/politics-display/opposition-plans-to-scrap-worker-safeguards.18985>

²⁹ *The Australian* (9 April 2025), “[Election 2025: Bosses urge Peter Dutton to cut work from home rights from 2027](#)”.

³⁰ “Secure Jobs Better Pay review 'misses the mark'”, *Australian Chamber of Commerce and Industry*, 3 February 2025, accessed: <https://acci.com.au/Web/Web/News/Articles/2025/Secure-Jobs-Better-Pay-review-misses-the-mark.aspx?name=Secure-Jobs-Better-Pay-review-misses-the-mark>

making work less secure for these workers. Coalition Shadow Finance Minister Jane Hume has already said this is something the Coalition should “consider”.³¹

This goes alongside ACCI’s broader ambitions revealed in its 2025 electoral manifesto of:

12. Repealing the multi-employer bargaining reforms that have allowed low-paid and undervalued workers, such as early childhood educators, to gain access to bargaining options they were previously denied.
13. Repealing the Albanese Government’s changes that have provided new basic rights to casual workers.
14. Repealing Same Job Same Pay reforms that have corrected the injustice of some workers being denied equal pay with those doing the exact same work at the same workplace – a legal loophole exploited by some large businesses that the Albanese Government closed.³²

Similarly, in its electoral manifesto, the Business Council of Australia has called for “less red tape and regulation” and “more flexible workplace laws”, which includes:

15. Overturning the new rights for casual workers.
16. Removing Same Job Same Pay protections for labour hire workers.
17. Changes to bargaining to the benefit of employers.³³

The Coalition has in response, promised to overturn the new rights for casual workers³⁴, is open to changing same job same pay protections for labour hire workers³⁵, promised to “review” the bargaining changes³⁶ and promised to remove “cut back on Labor’s red tape”.³⁷

To keep wages moving Australian worker’s cannot risk Peter Dutton.

³¹ “Teal MPs push for changes to 'small business' definition as election looms”, ABC News, 5 December 2024, accessed: <https://www.abc.net.au/news/2024-12-05/teal-mps-push-for-changes-to-small-business-definition/104686700>; “Support grows for small business change”, Australian Chamber of Commerce and Industry, 5 December 2024, accessed: <https://acci.com.au/Web/Web/News/Articles/2024/Support-grows-for-small-business-change.aspx?name=Support-grows-for-small-business-change>

³² Australian Chamber of Commerce and Industry, *Agenda for Business: Five priorities for revitalising the Australian economy*, accessed: <https://acci.com.au/Web/Web/News/Articles/2025/Put-Business-on-the-Agenda.aspx?name=Put-Business-on-the-Agenda>

³³ Business Council of Australia, *The Big Five Questions: Australia’s platform for action for the 2025 Federal Election*, accessed: https://www.bca.com.au/australia_s_priorities_for_the_2025_federal_election

³⁴ Leader of the Opposition’s Budget Address in Reply, March 27, 2025, accessed: <https://peterdutton.com.au/leader-of-the-opposition-transcript-budget-in-reply/>

³⁵ Marin-Guzman, D., “No repeal, but Coalition open to changing ‘same job same pay’ laws”, Australian Financial Review, April 4, 2025, accessed: <https://www.afr.com/work-and-careers/workplace/no-repeal-but-coalition-open-to-changing-same-job-same-pay-laws-20250404-p5lp62>

³⁶ “Opposition plans to scrap worker safeguards”, *Independent Australia*, 17 September 2024, accessed: <https://independentaustralia.net/politics/politics-display/opposition-plans-to-scrap-worker-safeguards.18985>

³⁷ “Secure Jobs Better Pay review 'misses the mark'”, Australian Chamber of Commerce and Industry, 3 February 2025,

accessed: <https://www.liberal.org.au/2024/05/17/leader-oppositions-budget-address-reply>. See also Leader of the Opposition’s Budget Address in Reply, March 27, 2025, accessed: <https://peterdutton.com.au/leader-of-the-opposition-transcript-budget-in-reply/>

APPENDIX 1: METHODOLOGY

This report calculates how much more workers would have earned if the Coalition had never come to power and how much worse off workers would have been if the Coalition had continued in office after the 2022 federal election.

To calculate this, an average figure for wage growth is calculated using the Wage Price Index (WPI) for each term of government. A term of government is taken to be the first quarter after a federal election through to the quarter in which the election takes place and the government is in caretaker. This reflects that attitudes to wages can be quickly enumerated – the newly elected Albanese Government making a submission to the Annual Wage Review shortly after coming to office being an example of a new policy tone being rapidly set.

To calculate the dollar value of the difference, the Average Weekly Earnings publication is used, with the last recorded result before the election for full-time earnings used as the starting point, thereafter, being transformed to an annual salary. Results were then grown by the average of wage growth in WPI for each government for the number of years a government was or has been in office. In the case of a year that was not fully complete by the time of publication, the share of the year that had elapsed was multiplied by the average growth in WPI for that year. The difference between the results was taken and summed to arrive at a total figure for a worker being better or worse off, depending on the comparison. This approach was also applied for industry level calculations, with the average weekly earnings figure for an industry taken as the starting point.

To calculate differences at electorate level, a percentage deviation from the national figure for median weekly personal income was calculated for each electorate, taken from the 2021 Census. This percentage deviation was then applied to the grossed up average weekly earnings for May 2022, with the methodology enumerated above then followed for each electoral division.