

Working people to push for wage rises to counter housing pressures

Thursday 5 February 2026

Australian Unions will pursue above-inflation wage rises this year because of rising housing costs.

Working people will be pushing for pay rises across the board to counter high housing costs, the biggest cost-of-living pressure in household budgets.

Wages need to keep pace with essential expenses including rent costs, which have risen by 4% in the past year on top of steep rises over the last five years.

Both rent and mortgage payments for new homeowners are taking up a larger share of income, that will leave working people feeling like they are going backwards despite working hard unless addressed.

Workers will fight for higher pay in a broad range of sectors and in the upcoming Annual Wage Review which sets pay for low and minimum wage workers.

Workers will build on some of the recent wage growth through union-negotiated collective agreements which are the most successful means of achieving real wage growth.

Australian Unions will also push for broader housing reforms to make housing affordable.

Unions want the tax system to change to address tax concessions that are effectively pricing workers out of housing.

This includes scaling back capital gains tax discounts from 50% to 25% and limiting negative gearing concessions to one investment property with a phase in period.

Most government revenue comes from working people paying ordinary income tax, not from taxing the wealthy, corporations or levying rent on multi-nationals exporting Australia's natural resources.

The tax system must stop loading up wage earners and start taxing other forms of income more fairly to take pressure of working Australians.

Workers feel strongly about housing affordability and the cost of living and are prepared to turn that pressure into collective action for better pay.

Quotes attributable to ACTU Secretary, Sally McManus:

“Working people will be pushing for pay rises this year because housing costs, rents and mortgage payments risk taking up more wages. Too many people cannot afford to live near where they work, even in regional parts of the country.

“Higher wages and action on housing affordability must both occur. We cannot have wage increases eaten up by increasing rents.

“Australia's tax system is upside down – working people pay first and in full, while wealth and windfall profits are undertaxed.

“Ordinary working people can't shift their income to trusts or asset structures but pay every dollar through PAYG.

“When tax concessions push investment into property speculation instead of new housing and productive businesses, working people lose twice – through higher house prices and weaker wage growth.

“That’s why unions want to limit negative gearing and wind back capital gains tax discounts, so capital flows into more productive investment, not just bidding up house prices.

“The employers of Australia should support tax reform that addresses housing affordability and lifts the pressure on workers to carry the country with tax from income.

“If employers want less wages pressure, they should be getting behind action on housing affordability.”

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