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Australian Unions go after a 5% wage increase for lower-paid

Australian Unions will seek a wage claim of 5 percent in the upcoming Annual Wage Review.

The ACTU's claim will increase the minimum wage to \$26.19 per hour, lifting the annual full-time rate by \$2,465 to \$51,761.

The 5 percent wage claim directly helps nearly 3 million workers whose pay is set by awards, but also helps all working Australians, by setting a minimum wage floor under their pay.

A 5 percent boost in wages will help Australia's lower-paid workers get ahead of cost-of-living pressures that have gotten a lot tougher.

Even before the Middle East conflict, rents and power prices continued to put pressure on workers' household budgets. Now working people have the added pressures of high petrol prices and a hike in interest rates.

Award-reliant workers are the hardest hit by increases in housing costs, such as higher mortgages and rents.

Around 41% of award workers are renters, compared to 31% of all adults. As many as 44% of award workers are also paying off a mortgage, compared to 35% of all Australians.

The current national minimum wage is not enough to get by on; and now falls \$262 a week short of what a full-time worker living alone needs to make a healthy living.

The pay gap is based on the Fair Work Commission's budget standards research that measures how much income is needed to ensure a basic but healthy lifestyle.

Workers on award wages are also still behind from the last spike in inflation after Covid and despite progress over the last few years, they have yet to catch up.

A typical full-time award wage worker would be nearly \$2,500 a year better off today, if wages had kept up with inflation from mid-2021.

Quotes attributable to ACTU Secretary, Sally McManus:

"Everyone knows the lowest paid workers in Australia are doing it tough because they have borne the brunt of cost-of-living increases as landlords put up rent and supermarkets and fuel companies pumped up prices to inflate their profits. Working Australians need pay rises that get them ahead of inflation so they can continue to catch up.

"We will not accept the lowest-paid workers in Australia going backwards because of the Reserve Bank and Donald Trump. Workers were the ones who felt it the most last time inflation spiked; we cannot let this happen again. This is why low-paid workers need and deserve a decent pay rise. Energy companies, the banks and the supermarkets continue to deliver their mega-profits. Hardworking Australians must not be left behind.

"A 5% wages boost for the lower paid will add about 0.6% to the national wage bill. That's because we are talking about a pay rise for hospo and retail workers, disability workers, health care workers and baristas - not for high earners with large numbers of investment properties.

"Of course, employer groups will say that any wage rise will put pressure on inflation - like they do every year - and every time they have been wrong. And let's get this into perspective, our entire 5% wage claim will cost less than the recent \$8 billion half-yearly profits of BHP.

“What has been driving inflation is the cost of housing and petrol companies’ price gouging. Working people’s pay rises played no role. Action to cut negative gearing and capital gains tax discounts for professional landlords would drive down housing inflation.

“We could also put downward pressure on our power prices by putting in place a 25% levy on gas exports to replace the failed Petroleum Resource Rent Tax. This would also bring in more revenue, by ending the extreme windfall profiteering by major oil and gas companies.

“A levy like this would have raised an estimated \$17 billion last year – or more than twice the amount needed to fund a 5% annual wage boost for lower-paid Australian workers who need and deserve it.”

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