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April inflation figures reinforce union case for 6% minimum wage increase

Australian Unions say today's inflation figures – the final before the Fair Work Commission's Annual Wage Review decision – strengthen the need for a 6% pay rise for 3 million of the country's lowest-paid workers.

New ABS figures show Australia's headline inflation rate rose 4.2% in the 12 months to April, down from 4.6% in March.

Petrol prices were 18.6% higher over the year to April and were the main driver of the annual rise in inflation in April.

Unions increased their minimum wage claim from 5% to 6% after the Federal Budget forecast inflation would reach 5% by mid-year, or higher if fallout from the US-led conflict in Iran drags on.

Unions are pressing for a 6% pay rise to shield low-paid workers from the conflict's inflationary aftershocks.

If granted in full, the wage claim would add 0.64% to the national payroll while providing a financial buffer to lower-paid workers. Minimum wages would increase to \$26.45 per hour, lifting the weekly rate to \$1,004.88.

Australian workers' real wages are already 4.5% behind where they were in March 2021 after the post-COVID inflationary spike, according to ABS data.

One in four workers in Australia rely on minimum award wages, particularly those working in hospitality, retail, fast food, administration, and care industries.

The Annual Wage Review wage claim affects nearly 3 million workers whose pay is set by awards, but also benefits all working Australians by setting a minimum wage floor across the entire wages system.

The Fair Work Commission is expected to hand down its decision for this year's Annual Wage Review in the coming weeks.

Quotes attributable to ACTU Secretary, Sally McManus:

"Today's figures show exactly why Australia's lowest-paid workers need a 6% pay rise. Inflation is above 4%, and a wage rise below that would be a real pay cut for 3 million workers.

"The Fair Work Commission must not allow low-paid workers like those in the hospo, retail and care industries to go backwards.

"One in four workers in Australia rely on the Annual Wage Review as their only way of getting ahead of price rises. Rent, mortgages, and bills are locked in, meaning if these workers' wages fall short of inflation, they have no choice but to cut back on essentials like food and doctors' visits.

"Minimum and award wage workers' pay make up about 10% of Australia's national payroll, and a 6% pay rise only adds 0.64% to the national wage bill. It is simply not possible for the union movement's claim to be inflationary."

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