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Unions increase their minimum wages claim to 6%

Australian Unions will argue for a 6% Annual Wage Review increase for the country's 3 million lowest paid workers as Trump's war continues to tear into workers' living standards.

Unions had been claiming a 5% increase in minimum wages but have bumped that up to 6%; after Tuesday's Budget forecast inflation is expected to reach 5% by the middle of this year – or even higher if the war's aftershocks drag on throughout the coming year.

The ACTU's claim will increase the minimum wage to \$26.45 per hour, lifting the weekly rate to \$1,004.88.

Even before the conflict, Australian workers' real wages were 4.5% lower than they were in March 2021 after the last prices spike due to COVID, according to ABS data.

The nation's three million lower-paid workers need a 6% minimum wage rise that gets ahead of inflation, so they can meet everyday cost-of-living expenses, catch up on some lost wage growth and provide a buffer if the global situation does worsen.

The claim is also affordable. While the Middle East conflict is expected to reduce Australia's economic growth slightly, it will still be above the post-pandemic average, according to Treasury forecasts.

The upcoming Annual Wage Review decision is due within weeks and directly impacts the wages of 3 million workers whose pay is set by awards. It also benefits all working Australians by setting a minimum wage floor underneath the national wages system that people bargain from.

Quotes attributable to ACTU Secretary, Sally McManus:

"The lowest paid workers in Australia should not go backwards because of Donald Trump's war. They have the least capacity to cope with price increases, so their wages must keep up. Unions will argue for a wage rise of 6% because inflation is now expected to hit 5% and these workers are still behind where they were in 2021.

"When unions made our initial wage claim in March, inflation was only predicted to be 4.2% - now it's expected to hit at least 5%. But the truth is no-one knows what will happen with oil prices and inflation could be even higher. The lowest paid Australians can't be left short like they were during the post-Covid inflation spike.

"The lowest paid workers spend every cent they earn. No one can save when on minimum wages. When wages fail to keep up with rising costs, people have no option but to cut back on the essentials like food and doctors' visits. This should be unacceptable to everyone.

"Employer groups always claim that just about any wage rise puts pressure on inflation but that is not grounded in reality. In fact, the total value of our revised 6% claim will only add 0.64% - or less than 1 percentage point – to the national wages bill.

"To put that in context, Rio Tinto alone could afford to pay for a wages bill twice the size of the ACTU's 6% claim.

"In fact, each of the big four banks could pay for this claim out of their profits single-handedly and some would still have billions left over to send to shareholders."

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