

ACTU calls for wages boost ahead of today's Annual Wage Review hearing

The ACTU reiterates its call for a 5% increase in minimum and award wages, along with an additional interim increase of at least 4% for workers in key feminised occupations, ahead of the Fair Work Commission's Annual Wage Review hearing in Sydney today.

The Fair Work Commission's decision will impact the pay of 2.6 million workers, or one in four Australian workers.

The ACTU argues that a 5% increase is necessary to help workers deal with cost-of-living pressures and recover real wages lost during the pandemic. The ACTU also advocates for a supplementary interim increase of at least 4% for workers in historically undervalued feminised industries, such as early childhood education, healthcare support, and disability home care. This would be a first step in addressing systemic gender pay inequity, ahead of a complete assessment.

The submissions by the ACTU highlight that the pay rises will have almost no impact on inflation, unlike corporate profits which have grown at nearly three times the rate of minimum and award wages since the start of the pandemic. The wage increases could be covered with less than 1% of last year's corporate profits. The 5% and 9% claims are also shown to have no negative impact on inflation, with ABS data from the last couple of years showing historic minimum wage and award pay increases coinciding with a significant drop in inflation.

A 5% wage increase would raise the minimum wage to \$24.39 per hour, increasing the annual full-time rate by \$2,295 to \$48,200. Employer group proposals would leave some of Australia's lowest-paid workers nearly \$1,350 worse off each year compared to the ACTU's claim. For workers in feminised industries, the combined 9% increase the ACTU is proposing would mean a full-time care worker could see their pay boosted by about \$90 per week.

The Commission's decision usually comes down in early June ahead of the pay rises taking effect on 1 July 2024.

Quotes attributable to ACTU President Michele O'Neil:

"Working people need a 5% pay rise to start getting ahead again and make up for the real wage losses from the pandemic as well as the decade of wage stagnation under the Coalition government. This is especially true for those in feminised industries, where an additional interim increase of at least 4% is a vital first step in valuing the critical work of early childhood educators and disability homecare workers.

"Over the last two years we have seen historic increases in the minimum wage and awards, and yet inflation has dropped from a high of 7.8 percent to 3.6 percent during that period. Employer groups should be reminded of that the next time they argue against giving a pay rise to cleaners, carers and hospitality workers.

"For the employer groups to jump on cost-of-living measures like the \$300 energy rebate to argue for lower wages is an insult. Big business wants the cost-of-living relief to go into their pockets instead of the pockets of our lowest-paid workers.

"The Commonwealth Bank reported a dip in its March quarter profits down to \$2.4 billion. That is still well above what the entire ACTU claim would cost for an estimated 2.6 million workers.

"Achieving equal pay for women requires systemic change and targeted pay rises in feminised industries that are historically very low-paid. A 9% pay increase will not only support families with cost-of-living pressures but also begin addressing the gender pay gap in sectors like early childhood education.

"A pay rise is not only good for workers but also beneficial for the economy. When employers boast of high corporate profits while pushing for real pay cuts, they ignore the very real struggles facing Australia's lowest paid workers and their families."

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