



Australian Government

Submission of the Australian Government

Fair Work Commission Annual Wage Review 2026

26 March 2026

1.	Introduction	3
2.	Economic environment.....	5
2.1.	International and domestic economic outlook.....	5
2.2.	Labour market	6
2.3.	Inflation	8
2.4.	Wages.....	8
3.	Productivity.....	11
3.1.	Productivity growth is critical for sustainable real wages growth	11
3.2.	Productivity growth is a Government priority	12
4.	Employees affected by the Annual Wage Review	13
4.1.	Award-reliant employees	13
4.2.	Minimum wage employees.....	14
4.3.	Number of employees affected by the Annual Wage Review decision .	14
5.	Relative living standards and needs of the low-paid	16
5.1.	The minimum wage bite	16
5.2.	Relative wages of the low paid	17
5.3.	Cost-of-living pressures have the greatest impact on the low-paid	18
5.4.	Many of the low-paid have dependent children, face financial hardship and have less access to savings	20
6.	Gender equality and job security	21
6.1.	The gender pay gap is the equal lowest on record.....	22
6.2.	Jobs with irregular pay or working hours can significantly impact workers' financial security	22
7.	References.....	24

1. Introduction

1. The Australian Government welcomes the opportunity to make a submission to the Fair Work Commission's (the Commission) 2026 Annual Wage Review.
2. The Government **recommends that the Fair Work Commission award an economically sustainable real wage increase to Australia's award workers.**
3. An economically sustainable outcome is one that is consistent with underlying inflation returning to the Reserve Bank of Australia's (RBA) target band in 2026-27. An increase in minimum and award wages that achieves this would provide further relief to lower income workers who continue to face cost of living pressures. The Government submits that this outcome is both fair and economically responsible.
4. This year's Annual Wage Review is occurring during a period of heightened geopolitical uncertainty and inflationary pressures.
 - Inflation was elevated prior to the conflict in the Middle East commencing due to both temporary and persistent factors. Around three quarters of the uptick in inflation in the second half of 2025 and early 2026 was due to temporary factors. A notable temporary factor is the unwinding of energy rebates, which will add to annual inflation for all of 2026. Some of the persistent drivers of inflation include housing.
 - The conflict is adding to these pressures. The direct impact of the conflict is through higher petrol prices, with national average petrol prices up 45 per cent (253.7 cents per litre as of 25 March 2026) compared to the end of February. There are also flow-on impacts including through higher transportation and energy costs and supply chain disruptions. The duration and severity of the conflict will be the determinants of how much pressure it adds to inflation.
 - At the 2025-26 Mid-Year Economic and Fiscal Outlook (MYEFO), inflation was forecast to sustainably return to the target band in 2026-27. Recent outcomes and the impacts of the conflict suggest there is some upside risk. While there is significant uncertainty, at this stage underlying inflation is still expected to sustainably return to the target band in 2026-27. This uncertainty underscores the importance of ensuring that any real wage increase is economically sustainable.
 - An economically sustainable real wage increase would increase wages without putting further pressure on inflation, in the context of volatile economic conditions.
5. While the conflict creates a degree of uncertainty, at the time of the 2025-26 MYEFO real wages across the economy were forecast to increase in 2026-27, and an economically sustainable increase in minimum and award wages would ensure that low-paid workers do not fall behind other workers.
6. This approach recognises that wage increases can be both economically responsible and fair, and that lifting productivity is key to driving real wages growth over the long term.
7. Delivering higher sustainable living standards, including by lifting productivity and wages, is a priority for the Government.
 - Productivity is growing at 1.0 per cent in annual terms, above the 20-year average. Although quarterly movements can be volatile, further growth is expected over the forecast period. The longstanding weakness in productivity growth observed over the past decades will take some time to turn around.
 - The Government is committed to lifting productivity, including by investing in the skills and potential of our population, putting in place policy settings to facilitate greater economic dynamism, leveraging opportunities in the digital economy and transitioning to cheaper, cleaner, more reliable energy.

8. Despite subdued global growth and elevated global uncertainty, growth in the Australian economy picked up in 2025, driven by recovering private demand. Annual real Gross Domestic Product (GDP) growth was 2.6 per cent through the year to the December quarter 2025, the fastest in almost three years and stronger than every major advanced economy.
9. Conditions in the labour market remain solid: more than 1.2 million jobs have been created since the middle of 2022, unemployment remains low by historic standards, and participation is near its recent record highs. However, the pace of employment growth moderated in 2025.
10. The Government remains focussed on sustainably returning inflation to the RBA's target band and easing cost of living pressures, while ensuring economically sustainable real wages growth. While substantial progress has been made on the economy, conditions remain challenging for many workers and businesses.
11. Around 2.7 million employees have their pay set by a modern award and are directly affected by the Annual Wage Review. There are around 3 million award-reliant employees in total, including some employed on State awards. Many award-reliant workers are low-paid and are more likely to be women, employed on a casual basis, working part-time and young.
12. Low-paid workers allocate a larger share of spending to non-discretionary goods and services and have much smaller saving buffers. Low-paid workers are less able to deal with unexpected financial shocks and experience greater financial hardship.
13. Increases to minimum and award wages provide income boosts for those more likely to be in less secure forms of employment, such as casual employees and multiple job holders.
14. As women are disproportionately represented in low-paid and award-reliant jobs, increases in the minimum wage are likely to decrease the gender pay gap.
15. Despite the gender pay gap being the equal lowest on record, the current gap of 11.5 per cent in November 2025 shows there is still more work to do. Closing the gender gaps in pay and retirement incomes are key ambitions under the Government's 10-year plan, *Working for Women: A Strategy for Gender Equality*.

2. Economic environment

Key points

- The conflict in the Middle East is compounding uncertainty in an already uncertain global economic environment. The conflict is expected to result in higher global inflation and lower global growth. The conflict will particularly impact commodity and energy markets and the agricultural and transport sectors.
- The Australian economy is well placed to navigate uncertainty in the global economy but is not immune.
- In the face of substantial global uncertainty, growth in the Australian economy picked up in 2025, driven by recovering private demand.
- The Australian economy grew 2.6 per cent through the year to the December quarter 2025, the strongest growth in almost three years and faster than any major advanced economy (ABS, *Australian National Accounts, December 2025*).
- The labour market has remained resilient. The unemployment rate, at 4.3 per cent, is historically low and the participation rate is near record highs. Since the middle of 2022, more than 1.2 million jobs have been created, stronger jobs growth than any major advanced economy (ABS, *Labour Force, February 2026*).
- Conditions in the labour market are expected to remain solid. The unemployment rate is expected to only modestly rise to 4½ per cent over 2025-26 and 2026-27 (Treasury 2025).
- Inflation has increased since mid-2025 (ABS, *Consumer Price Index, February 2026*). Around three quarters of the recent increase in inflation can be attributed to temporary factors. However, there are some persistent pressures on inflation particularly in housing.
- At the 2025-26 MYEFO, inflation was forecast to sustainably return to the target band in 2026-27. Recent outcomes and the impacts of the conflict suggest there is some upside risk. While there is significant uncertainty, at this stage underlying inflation is still expected to sustainably return to the target band in 2026-27.
- Annual nominal wages have grown above 3 per cent for fourteen consecutive quarters. Wages grew 3.4 per cent through the year to the December quarter 2025 (ABS, *Wage Price Index, December 2025*).
- The 2025-26 MYEFO forecast real wages to grow in 2026-27. Awarding an economically sustainable real wage rise to low paid workers will ensure they are not left behind other workers across the economy.

2.1. International and domestic economic outlook

16. The conflict in the Middle East has compounded uncertainty in an already highly uncertain global economic environment. The forecasts presented in this submission are the 2025-26 MYEFO forecasts, the Government's most recent publicly released forecasts. Data since MYEFO and the conflict have added greater than usual uncertainty to the economic outlook.
- The conflict is expected to result in higher global inflation and lower global growth. The conflict will particularly impact commodity and energy markets and the agricultural and transport sectors.
 - As of 25 March 2026, the Brent oil price is around 62 per cent higher than the start of the year, and the Asian LNG price is around 114 per cent higher over the same period.

- If the conflict results in an elevated oil price for the next three years, then average major trading partner growth could be 0.2 percentage points lower in 2026.
17. Even prior to the conflict, there was already an elevated level of uncertainty in the global economy. Trade tensions and geopolitical developments have the potential to further disrupt supply chains, push up input costs and weigh on global growth. Inflation was already above central bank targets in many advanced economies, including the United States (US), the United Kingdom (UK) and Japan.
 18. In the face of substantial global uncertainty, growth in the Australian economy was picking up in 2025. Real GDP growth was 2.6 per cent through the year to the December quarter 2025, the fastest in almost three years and faster than any major advanced economy (ABS, *Australian National Accounts, December 2025*).
 19. Growth in 2025 was supported by a transition from public to private final demand. New private final demand grew by 3.2 per cent through the year to the December quarter 2025, and new public final demand grew by 2.4 per cent over the same period (ABS, *Australian National Accounts, December 2025*). Comparing year ended growth in 2025 and 2024 shows that new private demand growth was more than threefold stronger, while new public demand growth more than halved. New private final demand is expected to outpace new public final demand and is forecast to grow by 3 per cent in 2025–26 and 2½ per cent in 2026–27 (Treasury 2025).
 20. The composition of growth in 2025 was broad based. All components of new private final demand, consumption, business investment and dwelling investment contributed to growth. This broad-based growth is expected to continue, although the outlook is uncertain. Consumption is forecast to grow by 2½ per cent and 2¼ per cent in 2025–26 and 2026–27 respectively, driven by an increase in real household incomes. New business investment momentum remains solid, with strong annual growth in the December quarter 2025 (ABS, *Australian National Accounts, December 2025*). New business investment is forecast to grow by 3 per cent and 1½ per cent in 2025–26 and 2026–27 respectively. Dwelling investment is forecast to grow by 5½ per cent in 2025–26 and 6 per cent in 2026–27.
 21. The economic environment has improved for small businesses over the past year, and although conditions remain subdued, most small businesses remain profitable (RBA, *Small Business Economic and Financial Conditions, October 2025*). Small businesses accounted for 92.6 per cent of all Australian employing businesses in 2024–2025 (ABS, *Counts of Australian Businesses, August 2025*).
 22. Australia is well placed to navigate current global challenges, with strong economic fundamentals. However, Australia is not immune from global challenges.
 - Treasury analysis shows that under a scenario where the oil price is \$120 per barrel this year and then takes three years to return to its pre-conflict baseline, the level of GDP could be 0.6 per cent lower in 2027.
 - There are also sources of domestic risks. If households’ real incomes grow at a slower pace, the pick-up in consumption and private final demand could be slower, which may hinder real GDP growth. Conversely, if the recent pick up in business investment is sustained, it could boost the productive capacity of the economy.

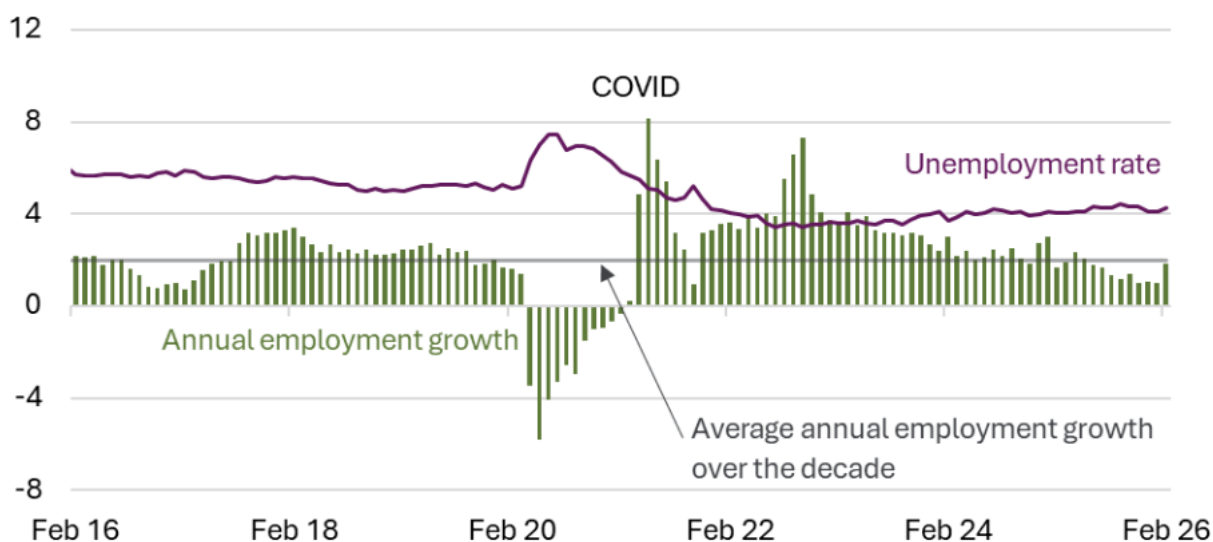
2.2. Labour market

23. Australia’s resilient labour market is one of our best defences in the face of substantial global uncertainty. Conditions in the labour market are expected to remain solid, with the unemployment rate forecast to remain low by historic standards, the participation rate forecast to remain near record highs and employment continuing to grow (Treasury 2025).

24. Employment increased by 264,700 (or 1.8 per cent) over the year, to a record high of 14,748,700 in February 2026 (ABS, *Labour Force, February 2026*). The annual pace of employment growth is below the annual average rate recorded over the decade (of 2.1 per cent) (see **Chart 2.1**). The employment to population ratio remains relatively high, at 64.0 per cent in February 2026 (ABS, *Labour Force, February 2026*).
- Both full-time and part-time employment have increased over the year to February 2026, with part-time employment rising by 141,000 (or 3.1 per cent) to stand at a record high of 4,631,800, while full-time employment grew by 123,700, (or 1.2 per cent) to 10,117,000.
 - Over the last year, women's employment has also increased, with the number of women employed part time increasing by 118,800 and those employed full-time increasing by 37,500 from February 2025 to February 2026.
25. The unemployment rate increased by 0.2 percentage points over the year, to 4.3 per cent in February 2026, although it remains low by historical standards (ABS, *Labour Force, February 2026*).
26. The participation rate remains near record highs at 66.9 per cent in February 2026. While the participation rate is slightly below the record high of 67.2 per cent, it remains well above the pre-pandemic rate of 65.5 per cent in March 2020 (ABS, *Labour Force, February 2026*).
27. Over the year to February 2026, employment in 4 of the 5 most award-reliant industries rose (Health care and social assistance, Accommodation and food services, Retail trade and Administrative and support services) (ABS, *Labour Force, Detailed, February 2026*, data trended by Jobs and Skills Australia).
- These increases ranged from 4.1 per cent (or 95,000) in the Health care and social assistance industry, to 0.2 per cent (or 2,400) in the Retail trade industry.

Chart 2.1: Annual employment growth is moderating but remains positive

Unemployment rate and annual employment growth, February 2016 to February 2026 (per cent)



Source: ABS, *Labour Force, February 2026, seasonally adjusted data*.

28. The 2025–26 MYEFO (Treasury 2025) forecast the unemployment rate to modestly rise to 4½ per cent over 2025–26 and 2026–27.
29. The participation rate is expected to remain elevated at around 67 per cent, driven by structural factors such as increased female participation, later retirements and a greater propensity for migrants to participate in the labour market.
30. Employment is forecast to continue to grow. It is expected to grow by 1¼ per cent in 2025–26, before increasing to 1½ per cent in 2026–27.

31. The shift from public to private sector led growth is expected to change the composition of labour demand. For the past four quarters, market sector jobs growth has outpaced the non-market sector. Employment growth in the non-market sector is expected to continue to ease. The pick-up in activity in the market sector is not expected to completely offset this easing, given it is less labour intensive than the non-market sector.

2.3. Inflation

32. While inflation is much lower than its 2022 peak, it is above the target band.
33. Inflation was already elevated in the Australian economy prior to the escalating conflict in the Middle East, but this conflict is expected to add further pressure to inflation.
- Under a scenario where the oil price is \$120 per barrel for this year and then takes 3 years to return to the pre-conflict baseline, inflation could peak 1 ¼ percentage points higher than the pre-conflict baseline. This means that inflation could exceed the high 4s sometime in 2026.
34. Headline inflation, as measured by the Consumer Price Index (CPI), has increased in recent months. It was 3.7 per cent through the year to February 2026, above the RBA's target band of 2 to 3 per cent (ABS, *Consumer Price Index, February 2026*).
35. Around three quarters of the recent increase in inflation can be attributed to temporary factors. These include the cessation of electricity rebate schemes (which contributed around ½ of a percentage point to year-end inflation in February 2026) and higher prices for travel. The cessation of electricity rebates schemes will continue to contribute to elevated annual headline inflation throughout 2026.
36. However, there are some persistent pressures on inflation, particularly in housing. Measures of underlying inflation, which exclude items that have particularly volatile price changes, also increased in the second half of 2025. Trimmed mean inflation was 3.3 per cent through the year to February 2026 (ABS, *Consumer Price Index, February 2026*).
37. The recent recovery in private demand has contributed to a pick-up in inflation for discretionary consumer goods and services, as well as the price of newly constructed dwellings.
38. At 2025-26 MYEFO, headline inflation was expected to be 3 ¾ per cent over 2025–26. This year's Annual Wage Review decision is expected to take effect on 1 July 2026, and headline inflation was forecast to ease to around 2¾ per cent over 2026–27 (Treasury 2025). Data since the publication of MYEFO and the impact of the conflict presents upside risks to the MYEFO forecast.

2.4. Wages

39. Due to the part-time and low-paid characteristics of the modern award-reliant workforce, the wages paid to them constitute only around 13 per cent of the total wages bill (ABS, *Employee Earnings and Hours, May 2025*, custom data request). The relatively small contribution to the total wages bill made by the wages of modern award-reliant employees means that the direct effect of a modest increase in award rates on aggregate wage outcomes is limited. However, the Annual Wage Review also plays a role as an important benchmark for other wage negotiations, and a number of wages set through individual arrangements and enterprise agreements are also linked to the Annual Wage Review determination.
40. Annual nominal wages have grown above 3 per cent since September 2022, the longest period in more than a decade and a half. The Wage Price Index (WPI) grew by 3.4 per cent through the year to the December quarter 2025 (ABS, *Wage Price Index, December 2025*). Wages set by enterprise agreements grew by 4.1 per cent through the year, higher than those set by individual agreements, which grew by 3.0 per cent.

41. In original terms, Information media and telecommunications recorded the strongest quarterly wage growth in December quarter 2025 (up 1.2 per cent). Health care and social assistance recorded the highest through-the-year growth (up 4.4 per cent).
42. The 2025–26 MYEFO forecasts WPI growth to moderate, as growth in wages set under public enterprise agreements begins to decelerate. The WPI is expected to grow by 3 ¼ per cent in both 2025–26 and 2026–27 (Treasury 2025).
43. Most other measurements of wage growth have been steady or have increased across the past year (**Table 2.1**).
44. Average earnings per hour on a National Accounts basis (AENA) – which captures compositional change in the workforce and includes a wider range of payments than WPI, including superannuation, bonuses and redundancies – grew by 4.4 per cent through the year to December quarter 2025, up from 3.4 per cent in the year to December quarter 2024 (ABS, *Australian National Accounts, December 2025*).
45. Average weekly ordinary time earnings – which also reflects the impact on earnings from changes in hours worked by full-time adults – grew by 3.8 per cent through the year to November 2025, compared to 4.6 per cent in the year to November 2024 (ABS, *Average Weekly Earnings, November 2025*).
46. Median weekly full-time earnings grew by 2.4 per cent through the year to August 2025, down from 6.3 per cent in the year to August 2024 (ABS, *Characteristics of Employment, August 2025*). This measure is collected from supplementary Labour Force Survey data and is more volatile than the WPI.

Table 2.1: Recent wages outcomes

Per cent, through the year

Wage measure	Latest	Period	A year ago*
Wage Price Index (WPI)	3.4%	December quarter 2025	3.2%
WPI – Individual arrangements	3.0%	December quarter 2025	3.2%
WPI – Enterprise agreements	4.1%	December quarter 2025	3.2%
WPI – Awards	3.8%	December quarter 2025	3.0%
WPI – Private	3.4%	December quarter 2025	3.3%
WPI – Public	4.0%	December quarter 2025	2.8%
Average earnings per hour (National Accounts basis)	4.4%	December quarter 2025	3.4%
Average Weekly Ordinary Time Earnings (AWOTE)	3.8%	November 2025	4.6%
Median weekly full-time earnings	2.4%	August 2025	6.3%

Sources: ABS, *Average Weekly Earnings, November 2025*, ABS, *Characteristics of Employment, August 2025*, ABS, *Australian National Accounts, December 2025* and ABS, *Wage Price Index, December 2025*.

*) Refers to the previous year's outcome from the same period.

47. Real wages growth, measured as the difference between the WPI and CPI, declined by 0.2 per cent through the year to December 2025 (**Table 2.2**). However, this followed a period of eight consecutive quarters of annual real wages growth. This was the longest consecutive run of annual real wages growth in almost a decade. (ABS, *Wage Price Index, December 2025* and ABS, *Consumer Price Index, February 2026*).
48. Real wages are forecast to grow again in 2026-27 and are expected to be ½ per cent higher through the year to the June quarter 2027 (Treasury 2025).

49. An alternative measure of real wages, measured by AENA deflated by the National Accounts household consumption deflator, grew by 1.2 per cent through the year to December 2025 and show a stronger real wage recovery after 2023 (ABS, *Australian National Accounts, December 2025*). It declined by 0.6 per cent between December 2019 and June 2023 but has increased by 4.1 per cent since June 2023.
50. Real household disposable income per capita – which, in addition to wages, measures income from investments and government payments, as well as subtracting obligations to pay taxes and interest – is recovering, after experiencing a decline for several years post-pandemic. It grew by 2.0 per cent through the year to December 2025.
51. These measures of real incomes from National Accounts are expected to continue to grow across 2025–26. This reflects that the national accounts household consumption deflator is less affected by cessation of electricity rebates, which is a significant contributor to the recent increase in CPI inflation.
52. Real average weekly ordinary time earnings for full-time adult employees are still 0.5 per cent lower in November 2025 compared to November 2019 (ABS, *Average Weekly Earnings, November 2025*).

Table 2.2: Recent real income outcomes

Per cent, through the year

Real wage measure	Latest	Period	A year ago*
Real Wage Price Index (differenced by the Consumer Price Index)	-0.2%	December quarter 2025	0.8%
Real average earnings per hour (deflated by the household consumption deflator)	1.2%	December quarter 2025	-0.2%
Real household disposable income per capita	2.0%	December quarter 2025	1.5%
Real average weekly ordinary time earnings for full-time adult employees	0.2%	November 2025 (deflated by December quarter CPI)	2.1%

Sources: ABS, *Consumer Price Index, February 2026*, ABS, *Wage Price Index, December 2025* and ABS, *Australian National Accounts, December 2025*.

Notes: *) Refers to the previous year's outcome from the same quarter.

3. Productivity

Key points

- The Government believes the best way to sustain and grow living standards over time is to make the economy more productive, to make it more resilient and to ensure that the budget is more sustainable.
- Productivity growth is key to long-term prosperity. It is the main source of per capita income growth in the long term, and helps to improve real wages, living standards and national wellbeing. It has accounted for over 70 per cent of Australia's growth in real national income over the past four decades (Parliament of Australia 2025).
- Over the long-run, sustainable real wage increases are driven by productivity growth. The latest data shows that annual labour productivity growth is 1.0 per cent and 1.5 per cent for the market sector (ABS, *Australian National Accounts, December 2025*).

3.1. Productivity growth is critical for sustainable real wages growth

53. Over the long-term, real wages growth depends on a combination of productivity growth, a dynamic and competitive labour market and effective wage-setting institutions.
54. Over the last 40 years, growth in labour productivity accounted for over 70 per cent of growth in real gross national income (GNI) per person in Australia. The slowing in productivity growth in recent decades has been a contributing factor in lower real wage growth.
55. Productivity grew by 1.0 per cent through-the-year to the December quarter 2025, above the 20-year average. Market sector productivity has grown for five consecutive quarters and is up 1.5 per cent in through the year terms. Further growth in productivity is expected over the forecast period. However, the longstanding weakness in productivity growth observed over the past few decades will take some time to turn around. Lifting productivity is key to driving real wage growth over the long term.
56. The decline in productivity growth over recent decades reflects a broad-based slowdown across industries, as well as a structural shift towards services industries. Over the 5 years to December 2025, average annualised productivity growth for the market sector was 0.1 per cent, while in the non-mining market sector, it was 0.6 per cent. In the non-market sector, it was -1.2 per cent (ABS, *Australian National Accounts, December 2025*) (**Table 3.1**).
57. The mining industry has a very low incidence of award reliant workers: 98.2 per cent are covered by collective agreements or individual arrangements. Mining sector productivity can be volatile and is affected by unique factors like global commodity prices, natural disasters and large-scale investment lags. Therefore, separating out mining may be helpful in assessing productivity trends relevant to award reliant workers.
58. The non-market sector employs nearly 30 per cent of award-reliant employees, driven largely by the Health care and social assistance industry, which accounts for 22.7 per cent of all award-reliant employees (ABS, *Employee Earnings and Hours, May 2025*).
59. The changing composition of Australia's workforce, including the non-market sector's growth in its share of Gross Value Added and hours worked, continues to weigh on productivity growth. However, some of the decline in non-market sector productivity may be attributed to standard productivity measures not adequately capturing improvements in the quality of services provided.

60. The overall productivity slowdown in recent decades is not unique to Australia. Australia’s labour productivity as a proportion of other advanced economies’ productivity has remained relatively stable over time, following a similar trend to the OECD average since 2000 (OECD, *Data Explorer*).

Table 3.1: Mining and the non-market sector have dragged down overall productivity growth in recent cycles

Percentage change

	Change through the year (Dec-25)	Change over 5 years	Change over 10 years
Whole economy¹	1.0%	-1.8% (-0.4% pa)	2.9% (0.3% pa)
Market sector²	1.5%	0.5% (0.1% pa)	6.4% (0.6% pa)
Market sector³ (excluding mining)	1.4%	3.3% (0.6% pa)	8.0% (0.8% pa)
Non-market sector⁴	-0.7%	-6.1% (-1.2% pa)	-2.2% (-0.2% pa)

Source: ABS, *Australian National Accounts, December 2025* and ABS, *Labour Account, December 2025*.

Notes: pa – Compound annual growth rate over relevant period. 1) Labour productivity for the whole economy is calculated as Gross Domestic Product per hour worked. 2) Labour productivity in the market sector is calculated as Gross Value Added per hour worked, excluding non-market industries. 3) DEWR estimates for the non-mining market sector. Gross Value Added per hour worked is calculated as the sum of gross value-added chain volume measures in the industries that make up the non-mining market sector divided by the sum of actual hours worked in those industries from the ABS Labour Account. 4) Non-market industries are Healthcare and social assistance, Education and training, and Public administration and safety.

3.2. Productivity growth is a Government priority

61. The Government is focussed on enabling sustainable real wages growth and growth in lifting standards through its ambitious productivity agenda. The agenda centres on 5 pillars: creating a more dynamic and resilient economy, building a skilled and adaptable workforce, harnessing data and digital technology, delivering care more efficiently and investing in cheaper and cleaner energy and the net zero transformation.

62. The Government has already made significant progress when it comes to implementing this agenda:

- abolished nearly 500 tariffs and streamlined and strengthened approval processes in several areas including foreign investment, energy, environment and planning
- reformed skills, education and aged care, and are making it easier for investors to progress transformational projects, including investing in cheaper, cleaner energy
- revitalised competition through the biggest changes to merger laws in 50 years, the 10-year Competition Reform Roadmap, and the \$900 million National Productivity Fund.

63. Further reforms include streamlining occupational licensing for electricians, abolishing non-compete clauses, unlocking opportunities in AI and digital assets, streamlining regulation and standing up the Single Front Door, strengthening the National Energy Market, leveraging health technology more effectively, and enabling construction of prefabricated and modular housing.

Box 3.1: The Economic Reform Roundtable

The Australian Government held an Economic Reform Roundtable (the Roundtable) between 19 and 21 August 2025, bringing together leaders from business, unions, civil society and government. The discussions at the Roundtable highlighted the opportunity and appetite to boost living standards by making our economy more resilient, more productive and through strengthening budget sustainability.

The Roundtable identified ten areas of consensus which will help set reform directions for government:

- progressing work towards a single national market to improve and modernise the federation
- simplifying trade and tariffs
- better regulation to cut the clutter
- speeding up approvals in national priority areas
- building more homes, more quickly
- making AI a national priority
- attracting capital and deploying investment
- building a skilled and adaptable workforce
- a better tax system
- modernising government services.

64. Since the Economic Reform Roundtable in August 2025, significant progress has been made. This includes legislating landmark reforms to the Environment Protection and Biodiversity Conservation Act 1999, streamlining regulations for builders to build more homes more quickly, committing to abolish nearly 500 more nuisance tariffs, legislating the Regulatory Reform Omnibus Bill 2025 and releasing a National AI Plan.

4. Employees affected by the Annual Wage Review

Key points

- The Expert Panel's decision directly affects employees paid the National Minimum Wage (NMW) rate and those whose pay is set by a modern award, a total of around 2.7 million employees.
- An estimated 23,900 Australian employees (or 0.2 per cent of all non-managerial employees) were paid at the NMW rate in May 2025 and did not have their pay set by an award or enterprise agreement (ABS, *Employee Earnings and Hours*, May 2025).
- Award-reliant workers, many of whom are low-paid, are more likely to be women, young and employed casually.

4.1. Award-reliant employees

65. There are around 2.7 million employees (20.4 per cent of all employees) who have their pay set by a modern award, 61.6 per cent of whom are women (ABS, *Employee Earnings and Hours*, May

2023, unpublished DataLab and ABS *Employee Earnings and Hours, May 2025*).¹ There are around 2,000 adult award rates of pay across hundreds of classifications. These rates of pay vary widely, from the current NMW rate (\$49,296 per year) up to \$226,242 per year (Air Pilots Award 2020). The NMW rate of \$948.00 per week is equal to the lowest pay rate in 38 of the 122 modern awards.²

66. More than two-thirds of all modern award employees are covered by the largest 10 modern awards, and this share increases to over 80 per cent when expanded to the largest 20 modern awards. In other words, most award-reliant employees are employed under a small proportion (less than 17 per cent) of the 122 modern awards.
67. Some awards fall primarily within one or 2 industries. For example, nearly 84 per cent of workers under the General Retail Industry award work in the Retail trade industry. More than 76 per cent of workers under the Social, Community, Home Care and Disability Services Industry award work in the Health care and social assistance industry.
68. Workers paid according to other awards, for example the Clerks – Private Sector Award, are spread across a wide range of industries, with just over 18 per cent employed in the Professional, scientific and technical services industry.
69. Small and medium businesses with less than 50 employees have a higher proportion of employees on awards (34 per cent) than larger businesses (18 per cent).

4.2. Minimum wage employees

70. Using the latest ABS data, the government estimates that around 76,500 employees in Australia (or 0.6 per cent) are paid the NMW or equivalent rate across all methods of setting pay (at \$24.10 per hour for May 2025) (ABS, *Employee Earnings and Hours, May 2025*, unpublished DataLab).³ Less than a third (23,900) of these NMW or equivalent employees have their pay set by an individual arrangement (0.5 per cent of all employees) – and so may be directly impacted by the National Minimum Wage Order. For simplicity, hereafter we will refer to NMW or equivalent workers as NMW employees.
71. This estimate is based on employees who earn between \$23.85 to \$24.35 (which is a 25-cent band around \$24.10, the NMW that was in effect in May 2025). The band is applied to account for rounding errors in hours worked or weekly earnings. The number of employees estimated to be on the NMW is highly dependent on the size of the band used. For example, a 50-cent band estimates nearly twice as many employees to be on the NMW or equivalent rate. There is little indication of employees grouping at or around the NMW rate and therefore these estimates are indicative only.
72. In its 2024 Annual Wage Review Decision, the Fair Work Commission noted that ‘it is not currently possible to identify persons to whom the NMW actually applies, and the number of such persons is likely to be very small’ (FWC 2024: 84).

4.3. Number of employees affected by the Annual Wage Review decision

73. **Chart 4.1** shows the number of employees directly affected by the Expert Panel’s decision: employees paid the NMW rate, employees whose pay is set by a modern award and employees

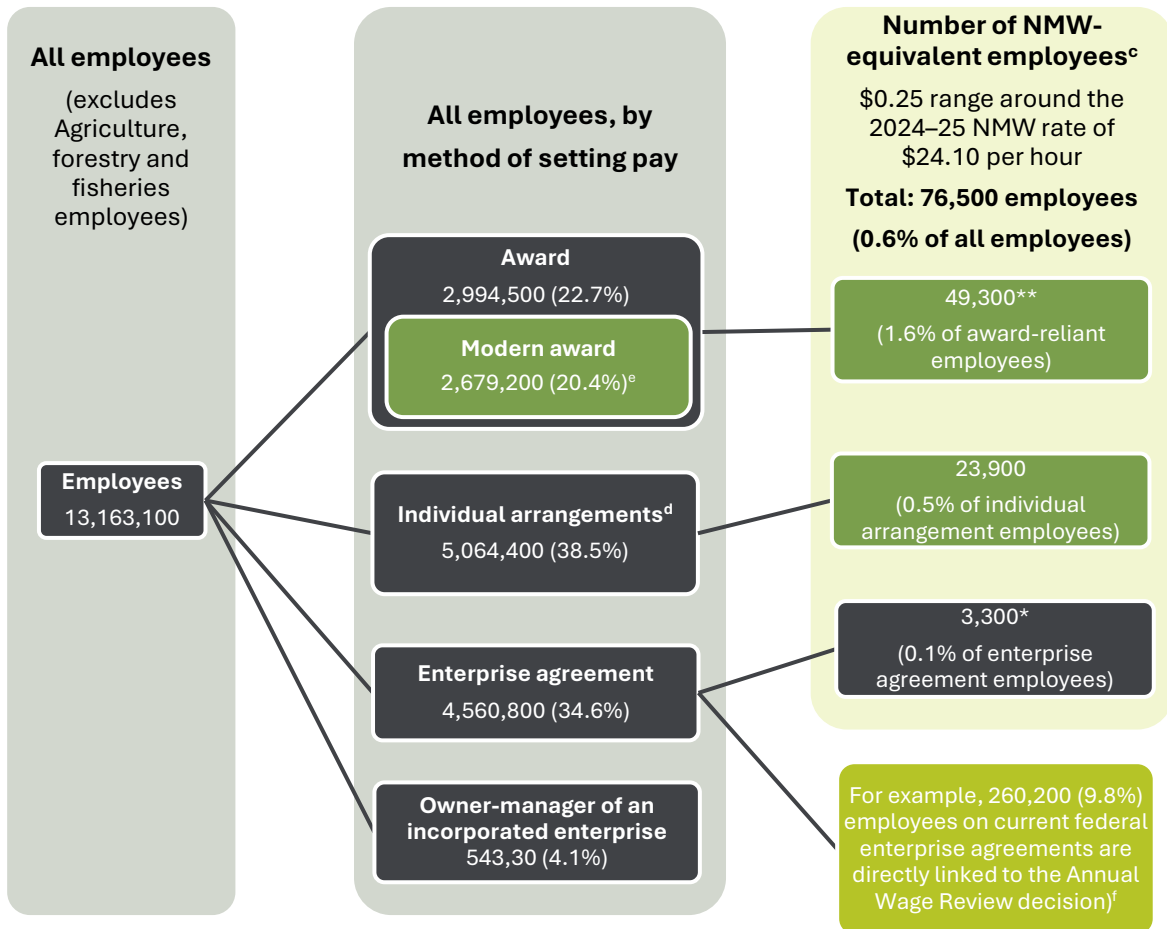
¹ Almost 3.0 million employees across Australia have their pay set by an award. While the vast majority of these employees are in the federal system and are covered by modern awards, a small share will be covered by state-based awards.

² This excludes the wage rates for introductory, induction, training, disability, and apprenticeships.

³ These include those employees on awards, covered by enterprise agreements, and NMW employees. NMW equivalent employees are classified as employees who are paid the adult rate after deflating for the casual loading if applicable, inflating for those aged less than 21 years old, are non-managerial, and with average ordinary time earnings between \$23.85 and \$24.35 per hour.

whose pay is set by collective agreements that are linked to the Annual Wage Review and designed to maintain wage relativities.

Chart 4.1: In 2025, there were 2.7 million employees affected by the Annual Wage Review decision
 Number of employees by method of setting pay, May 2025^{a, b}



Notes: (a) All numbers are for May 2025 (ABS, Employee Earning and Hours, May 2025), except for (e) and (f). (b) Workers affected by the Annual Wage Review decision are coloured eucalyptus in the chart. (c) The NMW rate in May 2025 was \$24.10 per hour. Non-managerial employees paid between \$23.85 and \$24.35 per hour in May 2025 (which is a \$0.25 band around the NMW in May 2025) are considered to be NMW rate equivalent employees. (d) The ABS classifies employees in the individual arrangement category if they have their pay set by an individual common law contract or arrangement, whether or not written, including where employees receive over-award payments. (e) The proportion of employees on a modern award are derived from ABS, Employee Earnings and Hours, May 2023, unpublished DataLab, and applied to the employee count for August 2025. Modern awards exclude state-based or enterprise awards which are not covered by the Annual Wage Review decision. (f) Some enterprise agreements are affected by the Annual Wage Review decision. For example, data derived from DEWR, Workplace Agreements Database, September quarter 2025, show the number of employees covered by federal agreements current as of 30 September 2025 with a clause which states that the entirety of the Annual Wage Review decision will be applied in full and automatically to wages. These workers may be earning the NMW rate. This figure excludes any employees under the Early Childhood Education and Care Multi-Employer Agreement. While the agreement is directly linked to the Annual Wage Review decision, an accurate employee count is not available.

*) Estimate has a relative standard error of 25% to 50% and should be used with caution.

**) The 49,300 is already accounted for in the 2,679,200 modern award employees.

5. Relative living standards and needs of the low-paid

Key points

- Without an economically sustainable real increase in the NMW in 2026, the minimum wage bite (the ratio between the NMW and median earnings for full-time workers) may fall.
- The relative wages of the low-paid are still behind their pre-pandemic levels. There has been a recent decline in relevant wage ratios (comparing the bottom 10 per cent with the median and top 10 percent) signalling an increase in wage inequality and a decline in the relative living standards of the low paid.
- Low-paid workers allocate a larger share of spending on non-discretionary goods and services and have much smaller saving buffers. Low-paid workers are less able to deal with unexpected financial shocks and experience greater financial hardship.

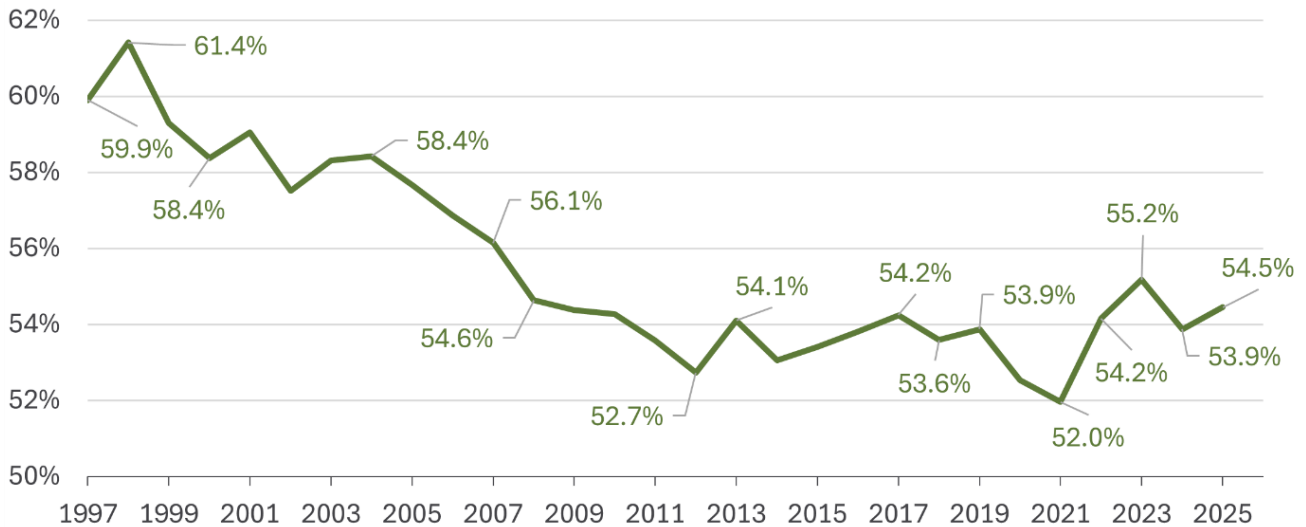
74. Studies across the US, Germany, Spain and the UK show that minimum wage increases can reduce wage and income inequality, which benefits lower earners and increases labour's share of income (Autor et al 2016, Doh and Van der Meer 2023, Berger et al 2022, Bossler et al 2024 and UK Government Low Pay Commission 2024).

5.1. The minimum wage bite

75. The minimum wage bite, defined as the ratio between the NMW and median full-time earnings, is a useful indicator of the relative living standards of the low-paid. The higher the bite, the more similar the relative living standards of the low-paid are likely to be to those of workers in the middle of the wage distribution.
76. The minimum wage bite was 59.9 per cent when the NMW was introduced in 1997 but had declined to 58.4 per cent by 2000 (see **Chart 5.1**). Between 2004 and 2012, the minimum wage bite decreased from 58.4 per cent to 52.7 per cent, in large part due to strong increases in median earnings. Since 2012, excluding the COVID period, the minimum wage bite has hovered between 53 per cent and 55 per cent. The minimum wage bite rose to 54.5 per cent over the year to August 2025 but is down from its recent high of 55.2 per cent in August 2023.

Chart 5.1: The minimum wage bite has declined over the last 30 years

NMW as a share of median full-time earnings (minimum wage bite), 1997 to 2025



Sources: Minimum wage – from 2006: Australian Fair Pay Commission/Fair Work Australia/Fair Work Commission decisions on National Minimum Wage. Prior to 2006: Australian Industrial Relations Commission decisions on Federal minimum wage based on the Metal, Engineering and Associated Industries Award (1998). Median wage: ABS, Characteristics of Employment, 1997-2025.

Notes: The 52.0 per cent recorded in 2021 was significantly affected by the impact of COVID-19 lockdowns on the income distribution. The NMW is taken from 1 July each year. Median earnings are taken from August each year.

77. As of 2024 (latest available OECD comparison data), Australia’s minimum wage bite (at 53.9 per cent) ranked 14 out of the 30 OECD countries for which data are available (OECD 2026). This is down from 10 in 2010, but up from 16 in 2021 which was affected by COVID. Other advanced economies, such as New Zealand and the UK recorded a higher minimum wage bite in 2024 of 68.7 per cent and 61.1 per cent, respectively.

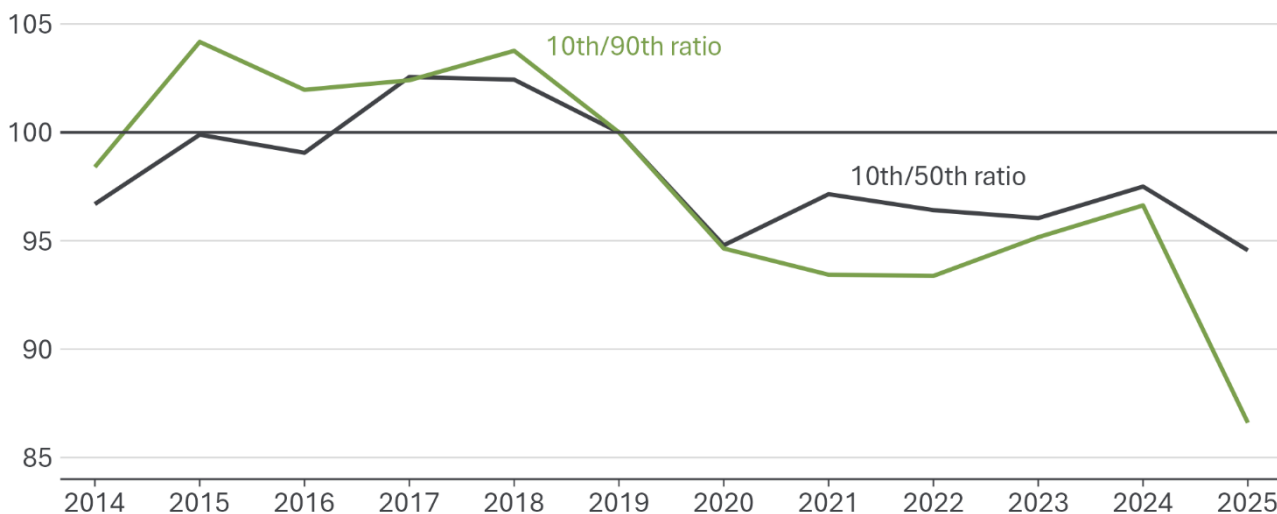
5.2. Relative wages of the low paid

78. Despite historically tight labour market conditions after COVID-19, government analysis suggests that the widening wage gap between low and high earners that emerged during the pandemic has persisted.

- In the years before COVID (2014 to 2019), workers at the 10th percentile of the hourly earnings distribution earned, on average, 61.6 per cent of median hourly earnings (the 10/50 ratio) and 29.5 per cent of earnings at the 90th percentile (the 10/90 ratio).
- These wage ratios fell to 59.1 per cent and 27.2 per cent respectively during COVID (2020–21) and have not yet recovered, averaging 59.2 per cent and 26.9 per cent (2022–25). This decline indicates that low-paid workers are relatively worse off compared with both median and high wage earners. A similar pattern is evident for workers at the 20th percentile of the hourly earnings distribution.

79. **Chart 5.2** shows the evolution of recent wage ratios. Values above 100 indicate that the 10th percentile wage as a share of the 50th or 90th percentile wage is higher than in 2019, while values below 100 indicate a lower relative position. Wage ratios fell below pre-COVID levels during the pandemic, signalling increased wage inequality. Although they narrowed slightly as labour market conditions tightened, wage ratios remain below pre-COVID levels, and more recent data suggest a renewed divergence, suggesting an increase in wage inequality.

Chart 5.2: Wage ratios remain below pre-COVID levels, signalling elevated wage inequality
 Percentage change in wage ratios relative to 2019 (2019 = 100)



Source: ABS, *Characteristics of Employment*, August 2025.

5.3. Cost-of-living pressures have the greatest impact on the low-paid

80. Key award rates remain below July 2021 levels in inflation-adjusted terms. This has impacted the ability of low-paid workers to cope with cost-of-living challenges. For example, for award workers paid at the C10 rate in the *Manufacturing Award* (the base tradespersons rate) or equivalent, real wages were 1.5 per cent lower in December 2025 compared to July 2021.
81. Low-income households tend to allocate a larger share of spending to non-discretionary goods such as food and rent (Beech et al 2014). Higher non-discretionary inflation has had a significant impact on many lower-paid households. Since the economic rebound from COVID-19, cumulative growth in non-discretionary inflation has outpaced discretionary inflation by 7.0 percentage points (between March 2021 and February 2026) (ABS, *Consumer Price Index Quarterly*, September 2025 and ABS, *Consumer Price Index*, February 2026).⁴

⁴ The new monthly discretionary and non-discretionary CPI series have been converted to align with the relevant quarterly series to cover the entire period under question. Data for the latest quarter for March 2026 is incomplete and only contains information for January and February 2026.

Box 5.1: Government cost-of-living policies

The Government is continuing to roll out responsible cost-of-living relief.

All Australian taxpayers will receive two further rounds of personal income tax cuts from 1 July 2026, adding to the first round of tax cuts that commenced on 1 July 2024. The Government will also introduce a new \$1,000 instant tax deduction from 2026-27, which taxpayers will be able to claim instead of individual work-related expenses without the need to keep receipts. These tax cuts will provide cost-of-living relief, boost labour supply and return bracket creep by lowering average tax rates for all taxpayers, especially for low- and middle-income earners.

The Government is also delivering responsible cost-of-living relief to help ease pressures on households and businesses. Key support measures include:

- Taking pressure off energy prices for households and small businesses by reforming the Default Market Offer, including introducing the Solar Sharer Offer, which will provide at least three hours of free electricity in the middle of the day when solar generation is at its peak.
- The Cheaper Home Batteries program will also help households, businesses and community organisations reduce electricity bills. Since launching on 1 July 2025, over 250,000 new batteries have been installed with support of the program.
- The Electric Car Discount has already supported the take-up of almost 100,000 vehicles.
- Helping consumers get a better deal at the checkout by banning supermarket price gouging, building on additional funding for the ACCC to increase investigation and enforcement activity.
- Empowering the ACCC to take enforcement action against companies that engage in anti-consumer and anti-competitive behaviour that unfairly increases prices, including doubling penalties to a maximum of \$100 million per offence.
- Making medicines even cheaper by decreasing the maximum general co-payment under the Pharmaceutical Benefits Scheme (PBS) from 1 January 2026.
- Expanding bulk billing incentive eligibility to all Australians and creating a new incentive payment for practices that bulk bill every patient, to improve the accessibility of free health care.
- Making it easier to buy and rent a home, including helping Australians buy homes with lower deposits and smaller mortgages, and delivering the first back-to-back increases to Commonwealth Rent Assistance in more than 30 years.
- Delivering more affordable and accessible child care – establishing the 3 Day Guarantee so families can access at least 3 days of subsidised early education and care a week, and building more child care centres across Australia.
- Making the student loans system fairer by reducing Higher Education Loan Program and other student debts by around \$19 billion for more than 3 million Australians and allowing those with a student debt to keep more of what they earn. This includes a 20 per cent reduction in outstanding debt, changes to indexation and increasing the minimum repayment threshold.
- Extending the current level of financial support for employers of Australian apprentices training in Key Apprenticeship Program occupations. Building on the introduction and permanent establishment of Free TAFE, the establishment of the Key Apprenticeship Program, and continued apprentice supports.

5.4. Many of the low-paid have dependent children, face financial hardship and have less access to savings

82. At least 19.4 per cent of low-paid employees provide for financially dependent children or students (HILDA, *Wave 24*, government analysis).⁵ There are other low paid employees within households that may have be financially dependent for themselves, however, their financial responsibility is unclear.
83. Different measures of financial hardship are outlined in **Table 5.1**. All measures of financial hardship are higher for the low-paid compared with those who are not low-paid. There are particularly large differences for those who could not pay electricity, gas or telephone bills on time and those who went without meals. The impacts are similar across men and women.

Table 5.1: Male and female employees who experienced financial stress

Per cent, 2024

Financial stress indicators	Male low-paid (%)	Female low-paid (%)	Male non low-paid (%)	Female non low-paid (%)
Asked for financial help from friends or family	17.4	17.5	9.1	10.8
Could not pay electricity, gas or telephone bills on time	13.8	13.8	8.9	11.5
Could not pay the mortgage or rent on time	7.4	8.5	6.1	7.1
Went without meals	9.7	5.4	3.2	3.5
Pawned or sold something	9.9	7.9	5.0	4.8
Could not afford to heat home	6.9	6.0	2.0	2.5
Asked for help from welfare/community organisation	5.0	4.8	1.5	1.9

Source: HILDA Survey, *Wave 24*, government analysis.

84. In 2024, 22.0 per cent of low-paid workers experienced at least one form of financial hardship, compared with 17.1 per cent of higher-paid workers. 6.4 per cent of low-paid employees experienced 4 or more forms of financial hardship, compared with only 2.3 per cent of higher-paid employees. Financial hardship was highest among low-paid single parents, who are predominantly women, with 34.0 per cent experiencing at least one form of hardship. Financial hardship was also significant among low-paid couples with dependent children, at 22.4 per cent (HILDA, *Wave 24*, government analysis).
85. Lower savings and small financial buffers mean that the lowest paid workers are also less able to deal with unexpected financial shocks and expenses.
86. The ability to raise emergency funds differs markedly between low-paid employees and those employees who were not low-paid:⁶
- 17.7 per cent of low-paid employees ‘would have to do something drastic to raise \$4,000’ compared with 9.1 per cent for high-paid employees.

⁵ There are a few different definitions of low paid which centre around two thirds of the median hourly earnings but can vary depending on the data source used. Analysis of low paid employees in this submission is based on the HILDA survey. Here we define low paid as employees earning less than two thirds of the median adult hourly earnings after deflating for the casual loading and inflating for the those under the age of 21. The latest data shows that 18.5 per cent of all employees were low paid in 2024 (HILDA, *Wave 24*, government analysis).

⁶ Shares reflect sampled employees who provided valid, non-missing responses to the question.

- 20.2 per cent of low-paid employees ‘couldn’t raise emergency funds’ compared with 7.8 per cent for high-paid employees.

87. Housing costs are a significant proportion of the expenditure of the low-paid. In 2024, 44.5 per cent) of low-paid employee households were in ‘housing stress’, spending 30 per cent or more of their wage or salary on rent or mortgage repayments (HILDA, *Wave 24*, government analysis).⁷ This compares to 42.1 per cent for higher-paid employee households. In households where the highest paid employee or breadwinner was low paid, 20.4 per cent had a mortgage, 60.8 per cent rented and 18.9 per cent owned their home or lived rent free. For high paid households, 50.5 per cent had a mortgage, 31.9 per cent rented and 7.5 per cent owned their own home or lived rent free.⁸

6. Gender equality and job security

Key points

- As women are disproportionately represented in low-paid and award-reliant jobs, increases in the minimum wage are likely to decrease the gender pay gap and increase the incentive to enter the workforce or work more hours. This may, in turn, raise the participation rate for women – and help reduce the retirement income gender gap.
- Despite the gender pay gap being the equal lowest on record, the current gap of 11.5 per cent in November 2025 shows there is still more work to do. Closing the gender gaps in pay and retirement incomes are key ambitions under the Government’s 10-year plan, *Working for Women: A Strategy for Gender Equality*.
- Increases to the minimum and award wages provide income boosts for those more likely to be in less secure forms of employment, such as casual employees and multiple job holders.
- Jobs with low or irregular pay, or that have unpredictable working hours, can significantly impact workers’ financial security, including making it more difficult to access finance and limiting workers’ ability to deal with financial shocks.

88. Women are disproportionately represented in award-reliant jobs. Over 60 per cent of award-reliant employees are women (ABS, *Employee Earnings and Hours, May 2025*). Women are also disproportionately represented in lower paying industries, accounting for more than 50 per cent of employees in the two lowest paying industries, Accommodation and food services (52.4 per cent) and Retail trade (56.5 per cent) (ABS, *Characteristics of Employment, August 2025*).

89. In 9 of the 10 most common modern awards, women form the majority of employees, with the proportion ranging from 52.0 per cent (in Cleaning Services) to 93.8 per cent (in Children’s Services) (ABS, *Employee Earnings and Hours, May 2023*, unpublished DataLab) (**Table 6.1**).

⁷ The ABS defines ‘housing stress’ as households that spend more than 30% of their gross income on housing costs (ABS, *Survey of Income and Housing, User Guide, 2022*).

⁸ Here households were limited to households with at least 1 employee and only households with at least 70 per cent of their overall income coming from wages. Sensitivity analysis of at least 85 per cent of household income coming from wages yielded very similar results. Low paid households here are equal to the low paid status of the employee with the highest hourly earnings in the household. Household income was equivalised to account for differences in household size.

Table 6.1: Female employees across the ten most common modern awards
 Number and incidence, May 2023

Modern award	Number of female employees	Incidence of female employees
General Retail Industry	238,900	67.6%
Social, Community, Home Care and Disability Services Industry	196,500	68.4%
Hospitality Industry (General)	142,900	61.1%
Fast Food Industry	137,000	65.1%
Restaurant Industry	100,900	59.9%
Children’s Services	118,400	93.8%
Health Professionals and Support Services	91,500	86.6%
Building and Construction General On-site	8,500	9.2%
Cleaning Services	46,400	52.0%
Clerks – Private Sector	69,600	81.2%

Source: ABS, *Employee Earnings and Hours, May 2023, unpublished DataLab.*

90. As noted in the Annual Wage Review 2023–24 Decision, uniform increases in the NMW and modern award minimum wages which exceed the market rates of wage increase will “likely have the effect of narrowing the gender pay gap by reason of modern award-reliant workers being predominantly female” (FWC 2024:37).
91. Higher wages may increase the incentive for women to enter the workforce or work more hours.

6.1. The gender pay gap is the equal lowest on record

92. In November 2025, the weekly gender pay gap for full-time adult employees was 11.5 per cent (a weekly earnings gap of \$247.20), unchanged from 11.5 per cent (\$242.30) in May 2025 (ABS, *Average Weekly Earnings, November 2025*). The current gender pay gap is the equal lowest on record and below the most recent peak of 18.7 per cent in November 2014.
93. A similar trend is evident when examining average hourly total cash earnings. The hourly gender pay gap fell from 13.6 per cent in May 2014 to 9.7 per cent in May 2021, 8.9 per cent in May 2023, and 8.4 per cent in May 2025 (ABS, *Employee Earnings and Hours, May 2025*).

6.2. Jobs with irregular pay or working hours can significantly impact workers’ financial security

94. Secure, well-paid jobs are a key objective of the Australian Government. Beyond enabling financial independence for individuals, fair pay and job security strengthen communities, promote attractive careers and contribute to broad-based prosperity.
95. A 2024 study conducted in the UK found that an increase in the National Living Wage resulted in an overall reduction in non-standard work arrangements (Albagli et al 2025).
96. A number of studies show a strong link between job insecurity and poor physical and mental health, with flow on effects for job performance and firm productivity (see, for example, Green 2020 and De Angelis et al 2021).
97. Jobs with low or irregular pay, or that have unpredictable working hours, reduce the capacity of a person to plan their lives. These jobs can also significantly impact workers’ financial security – including making it more difficult to access finance – and their ability to deal with financial shocks (Treasury 2023).

98. Increases in the minimum and award wages provide income boosts for those in less secure forms of employment, such as casual employees, who do not have access to paid leave.
99. There are several indicators of insecure work, including:
- low, unpredictable or irregular income
 - irregular, fragmented and/or unpredictable hours
 - limited access or lack of access to paid leave
 - redundancy and other entitlements
 - poor and/or limited security of tenure
 - uncertainty around hours or duration of employment
 - social and/or physical isolation and
 - low worker control.
100. Relative to all employees, a higher proportion of the bottom 20 per cent of the earnings distribution experience some of these commonly understood indicators of insecure work. For example, 29.9 per cent of the lowest paid employees have earnings that vary from one period to the next, well above the 22.3 per cent for all employees (ABS, *Characteristics of Employment, August 2025*). Just over half (50.3 per cent) of the lowest paid employees, with earnings that vary from one period to the next, are women.
101. Noting that for some people insecure work is about multiple factors of insecurity operating at the same time, irregular casuals may be a close approximation of those facing the worst elements of insecure work. Irregular casual employees are defined as those who do not have paid leave entitlements and either do not have guaranteed minimum hours of work, or for those that do have guaranteed hours - both their income and hours vary from week to week. In August 2025, almost 1.6 million casual employees (or 64.3 per cent of all casual employees) had irregular working arrangements and just over half of irregular casual employees were women (53.9 per cent) (ABS, *Characteristics of Employment, August 2025*).
102. Many casual employees with irregular working arrangements are in lower paying jobs. Around 683,100 casual employees (or 27.5 per cent of all casual employees) with irregular working arrangements are also in the bottom 20 per cent of hourly wages. The share of irregular casual employees paid an hourly wage in the bottom 20 per cent is almost double that of all employees.
103. Multiple job holding is often a financial decision, with workers seeking to increase their income but being unable to do so in their primary job (see, for example, Beckhusen 2019, Conen and Stein 2021 and Panos et al 2014). Increasing minimum and award wage rates may enable those holding multiple jobs for financial reasons to reduce the number of jobs they need to hold at any one time.
104. The latest data show that multiple job holding is at a near record high. In the December quarter 2025, 6.5 per cent of workers (or 976,400 workers) held more than one job (ABS, *Multiple job-holders, December 2025*). In addition, the rate of multiple job holding was higher for women (7.1 per cent compared with 5.8 per cent for men).

7. References

- Akerlof GA (1982) '[Labour Contracts as Partial Gift Exchange](#)', *The Quarterly Journal of Economics*, 97(4):543-569.
- Albagli P, Costa R and Machin S (2025) '[Minimum wage effects: adjustment through labour market dynamics and alternative work arrangements](#)', *CEP Reports 49*, Centre for Economic Performance, London School of Economics.
- Australian Bureau of Statistics (ABS) [Australian National Accounts: National Income, Expenditure and Product, December 2025](#).
- ABS [Australian System of National Accounts, 2024–25 financial year](#).
- ABS [Average Weekly Earnings, Australia, November 2025](#).
- ABS [Characteristics of Employment, Australia, August 2025](#).
- ABS [Consumer Price Index, Australia, February 2026](#).
- ABS [Counts of Australian Businesses, including Entries and Exits, July 2021 - June 2025 | Australian Bureau of Statistics](#).
- ABS [Employee Earnings and Hours, Australia, May 2025](#).
- ABS [Labour Account Australia, December 2025](#).
- ABS [Labour Force, Australia, February 2026](#).
- ABS [Labour Force, Australia, Detailed, February 2026](#).
- ABS [Multiple job-holders, December 2025](#).
- ABS [National, state and territory population, June 2025](#).
- ABS [Survey of Income and Housing, User Guide, Australia, 2019-20 financial year](#).
- ABS [Wage Price Index, Australia, December 2025](#).
- Autor DH, Manning A and Smith CL (2016) 'The contribution of the minimum wage to US wage inequality over three decades: a reassessment', *American Economic Journal: Applied Economics*, 8(1):58–99.
- Beckhusen J (2019) '[Multiple Jobholders in the United States: 2013](#)', *US Department of Commerce, Economics and Statistics Administration, United States Census Bureau*.
- Beech A, Dollman R, Finlay R and La Cava G (2014) '[The distribution of household spending in Australia](#)', *Reserve Bank of Australia Bulletin*, March 2014, 13–22.
- Berger DW, Herkenhoff KF and Mongey S (2022) *Minimum wages, efficiency and welfare*, National Bureau of Economic Research, No. w29662.
- Bosler M, Chitka L and Schank T (2024) '[A 22 percent Increase in the German minimum wage: nothing crazy!](#)', *IZA Discussion paper*, (7575, December).
- Conen W and Stein J (2021) 'A panel study of the consequences of multiple jobholding: enrichment and depletion effects', *Transfer: European Review of Labour and Research*, 27(2):219–236.
- De Angelis M, Mazzetti G and Guglielmi D (2021) '[Job insecurity and job performance: A serial mediated relationship and the buffering effect of organizational justice](#)', *Frontiers in Psychology*, 12(694057).

Department of Employment and Workplace Relations (DEWR) [Trends in Federal Enterprise Bargaining – September quarter 2025](#).

Department of the Prime Minister and Cabinet (2024) [Working for Women: A Strategy for Gender Equality](#).

Department of Social Services and Melbourne Institute of Applied Economic and Social Research (2025) *The Household, Income and Labour Dynamics in Australia (HILDA) Survey, RESTRICTED RELEASE 24 (Waves 1–24)*, ADA Dataverse, V4, doi:10.26193/GMYVPW.

Doh T and Van der Meer L (2023) ‘The Employment Effect of an Increase in the National Minimum Wage: Review of International Evidence’, *Economic Review*, 108(2):1–15.

Fair Work Commission (FWC), [Annual Wage Review Decision 2025](#) (June 2025) FWCFB 3500, FWC website.

FWC, [Annual Wage Review Decision 2023–24](#) (June 2024) FWCFB 3500.

FWC, [Annual Wage Review 2022–23](#) (June 2023) FWCFB 3500.

FWC, [Annual Wage Review 2021–22](#) (June 2022), FWCFB 3500.

FWC, [Annual Wage Review 2020–21](#) (June 2021), FWCFB 3500.

FWC, [Annual Wage Review 2019–20](#) (June 2020), FWCFB 3500.

FWC, [Annual Wage Review 2018–19](#) (May 2019), FWCFB 3500.

Annual Wage Review 2017–18 (June 2018), FWCFB 3500.

Annual Wage Review 2016–17 (June 2017), FWCFB 3500.

Annual Wage Review 2015–16 (June 2016), FWCFB 3500.

Annual Wage Review 2014–15 (June 2015), FWCFB 3500.

Annual Wage Review 2013–14 (June 2014), FWCFB 3500.

Annual Wage Review 2012–13 (June 2013), FWCFB 4000.

Annual Wage Review 2011–12 (June 2012), FWAFB 5000.

Annual Wage Review 2010–11 (June 2011), FWAFB 3400.

Annual Wage Review 2009–10 (June 2010), FWAFB 4000.

Green F (2020) ‘[Health effects of job insecurity](#)’, *IZA World of Labour*, 212, doi:10.15185/izawol.212.v2.

Harvey N, Lai S, and Spiller J (2025) [Small Business Economic and Financial Conditions | Bulletin – October 2025 | RBA](#).

Jobs and Skills Australia (JSA) [National Industry Trend - November 2025](#).

Organisation for Economic Cooperation and Development (OECD) (2026) [OECD Data Explorer](#).

Panos G, Pouliakas K and Zangelidis A (2014) ‘Multiple Job Holding, Skill Diversification, and Mobility’, *Industrial Relations*, 53(2)223–272.

Parliament of Australia (2025) ‘[Australia’s flagging productivity growth](#)’ *Economic Policy Section, Parliamentary Library*.

Safety Net Review – Wages (June 2005), AIRC 508.

Safety Net Review – Wages (May 2004), AIRC 430.

Safety Net Review – Wages (May 2003), AIRC 482.

Safety Net Review – Wages (May 2002), AIRC 530.
Safety Net Review – Wages (May 2001), AIRC 421.
Safety Net Review – Wages (May 2000), 95 IR 64.
Safety Net Review – Wages (April 1999), AIRC 414.
Safety Net Review – Wages (April 1998), AIRC 544.
Safety Net Review – Wages (April 1997), AIRC 1401.
Treasury of the Australian Government (Treasury) (2023) [Employment White Paper](#).
Treasury (2025) [Mid-Year Economic and Fiscal Outlook, 2025–26](#).
UK Government Low Pay Commission (2024) [The National Minimum Wage Beyond 2024](#).
Wages and Allowances Review (August 2008), AIRCFB 635.
Wages and Allowances Review (August 2007), AIRCFB 684.
Wages and Allowances Review (December 2006), AIRC 789.