



# Submission on the 2025 State Wage Order

**Appl No. CICS 1 of 2025**  
**ON THE COMMISSION'S OWN MOTION**

**Western Australian Industrial  
Relations Commission**

**14 May 2025**

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## 1. Introduction

- 1.1. UnionsWA is the governing peak body of the trade union movement in Western Australia and the Western Australian Branch of the Australian Council of Trade Unions (ACTU). It represents 30 affiliated unions, who in turn represent approximately 150,000 Western Australian workers.
- 1.2. Section 50A(3) of the *Industrial Relations Act 1979 (WA) (IR Act)* states that in making an annual State Wage order the Western Australian Industrial Relations Commission (Commission) shall take into consideration, amongst other things,
  - (a) *the need to:*
    - (i) *ensure that Western Australians have a system of fair wages and conditions of employment; and*
    - (ii) *meet the needs of the low paid; and*
    - (iii) *provide fair wage standards in the context of living standards generally prevailing in the community; and*
    - (iv) *contribute to improved living standards for employees; and*
    - (v) *protect employees who may be unable to reach an industrial agreement; and*
    - (vi) *encourage ongoing skills development; and*
    - (vii) *provide equal remuneration;**and*
  - (b) *the state of the economy of Western Australia and the likely effect of its decision on that economy and, in particular, on the level of employment, inflation and productivity in Western Australia;*
  - (c) *to the extent that it is relevant, the state of the national economy;*
  - (d) *to the extent that it is relevant, the capacity of employers as a whole to bear the costs of increased wages, salaries, allowances and other remuneration;*
  - (e) *for the purposes of subsection (1)(b) and (c), the need to ensure that the Western Australian award framework represents a system of fair wages and conditions of employment;*
  - (f) *relevant decisions of other industrial courts and tribunals; and*
  - (g) *any other matters the Commission considers relevant.*

## 2. UnionsWA position on increasing Award and Minimum Wages

- 2.1. UnionsWA contends that the Commission should make a substantial real wage increase for state minimum wage and award-reliant workers. This is essential to make substantial progress in repairing the real value of award wages and to address the sustained increases in living costs, which is particularly impacting non-discretionary spending in areas such as housing. Therefore, UnionsWA's claim is for an increase to the State Minimum Wage of **\$41.34 per week**, with commensurate increases of **4.5 per cent** to

award wages. This would bring the State Minimum Wage to **\$959.94** per week, or **\$25.26** per hour. See the table below for how a 4.5 per cent increase would impact award rates, based on the *Metal Trades (General) Award*.

Award classification	Current rates		Proposed rates		\$ Difference	
	Weekly	Hourly	Weekly	Hourly	Weekly increase	Hourly increase
C14	\$918.60	\$24.17	\$959.94	\$25.26	\$41.34	\$1.09
C13	\$918.60	\$24.17	\$959.94	\$25.26	\$41.34	\$1.09
C12	\$946.40	\$24.91	\$988.99	\$26.03	\$42.59	\$1.12
C11	\$972.40	\$25.59	\$1,016.16	\$26.74	\$43.76	\$1.15
C10	\$1017.00	\$26.76	\$1,062.77	\$27.97	\$45.77	\$1.20
C9	\$1044.80	\$27.49	\$1,091.82	\$28.73	\$47.02	\$1.24
C8	\$1072.20	\$28.22	\$1,120.45	\$29.49	\$48.25	\$1.27
C7	\$1097.50	\$28.88	\$1,146.89	\$30.18	\$49.39	\$1.30
C6	\$1152.70	\$30.33	\$1,204.57	\$31.70	\$51.87	\$1.37
C5	\$1180.40	\$31.06	\$1,233.52	\$32.46	\$53.12	\$1.40

### 3. The state of the economy of Western Australia and Australia

3.1. UnionsWA contends that, in a situation in which the WA and Australian economies are continuing to perform strongly, combined with rising living costs, a substantial increase in minimum and award wages is required.

3.2. The WA Government's 2024-25 Pre-election Financial Projections Statement outlined that:

- *Growth in Western Australia's economy (GSP) is expected to strengthen to 2.25% in 2024-25 and 2.5% in 2025-26.*
- *The GSP outlook is underpinned by strong domestic activity (SFD), with growth expected across all components. Data released since Mid-year Review cut-off (including September quarter SFD data released on 4 December 2024) support the expectation that the domestic economy will grow by a robust 3.75% in 2024-25, up slightly from the 3.5% growth forecast at Mid-year Review.*
- *Labour market conditions in Western Australia have strengthened considerably since Mid-year Review cut-off, with employment rising strongly (by more than 25,000 jobs) over November and December 2024 to reach a record high of 1.64 million people. Meanwhile, the monthly unemployment rate stood at just 3.3% in*

December, the lowest of all States and well below the 4% rate recorded in October 2024 (the latest data before Mid-year Review cut-off).

Table 2

<b>KEY ASSUMPTIONS <sup>(a)</sup></b>					
<b>Western Australia</b>					
	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	FFPS Revision	Outyear	Outyear	Outyear
Real Gross State Product growth (%) <sup>(b)</sup>	0.5	2.25	2.5	2.5	2.0
Real State Final Demand growth (%) <sup>(b)</sup>	5.7	3.75 (3.5)	2.75 (3.25)	3.25	2.75
Employment growth (%)	3.8	3.25 (2.5)	1.75	1.5	1.5
Unemployment rate (%) <sup>(c)</sup>	3.7	3.5 (4.0)	3.75 (4.25)	4.0 (4.5)	4.25 (4.75)
Wage Price Index growth (%) <sup>(d)</sup>	4.2	3.75	3.5	3.0	3.0
Perth Consumer Price Index growth (%) <sup>(d),(e)</sup>	4.7	2.75 (3.25)	2.75	2.5	2.5

3.3. The latest CommSec *State of the States* economic performance report ranked Western Australia as the strongest performing economy in Australia for the third consecutive quarter. The state was found to rank first on retail spending, relative unemployment, relative population growth, housing finance and dwelling starts. The report found that WA, along with Queensland, had the strongest annual economic momentum, supported by robust housing markets and solid population growth. At the same time, WA was experiencing the highest inflation rate and the fastest annual lift in home prices at 11.9 per cent. In comparison, home prices nationally rose by 3.4 per cent. WA was strongest on relative population growth, with its annual population growth 52.3 per cent above the decade average for the year to the September quarter 2024. CommSec identify population growth as an important driver of the broader economy and in particular retail spending and housing demand.<sup>1</sup>

#### *Payroll jobs and wages data*

3.4. The strong performance of the WA economy over the last few years is also reflected in the most recent Australian Bureau of Statistics (ABS) measure of aggregate wages and salaries from Single Touch Payroll data. Below are the annual state and territory percentage changes in payroll wages and salaries paid by employers as of December 2024.

<sup>1</sup> CommSec, *State of the States* (Report, 28 April 2025).

<b>Annual percentage change in total wages and salaries paid by employers, by state and territory<sup>2</sup></b>	
New South Wales	5.4
Victoria	4.7
Queensland	6.8
South Australia	5.6
<i>Western Australia</i>	<i>7.1</i>
Tasmania	5.9
Northern Territory	6.8
Australian Capital Territory	6.5
Australia	5.7

- 3.5. WA had the largest increase in wages and salaries of all states and territories. The Single Touch Payroll data also provides insights into the growth of payroll jobs. Below are the annual state and territory percentage changes in payroll jobs as of the week ending 14 December 2024.

<b>Annual percentage change in payroll jobs, by state and territory<sup>3</sup></b>	
New South Wales	0.0
Victoria	0.0
Queensland	1.1
South Australia	0.6
<i>Western Australia</i>	<i>0.8</i>
Tasmania	0.0
Northern Territory	1.0
Australian Capital Territory	-1.0
Australia	0.3

- 3.6. WA had the second largest increase in payroll jobs of any state, after Queensland.

#### *Retail trade and household consumption*

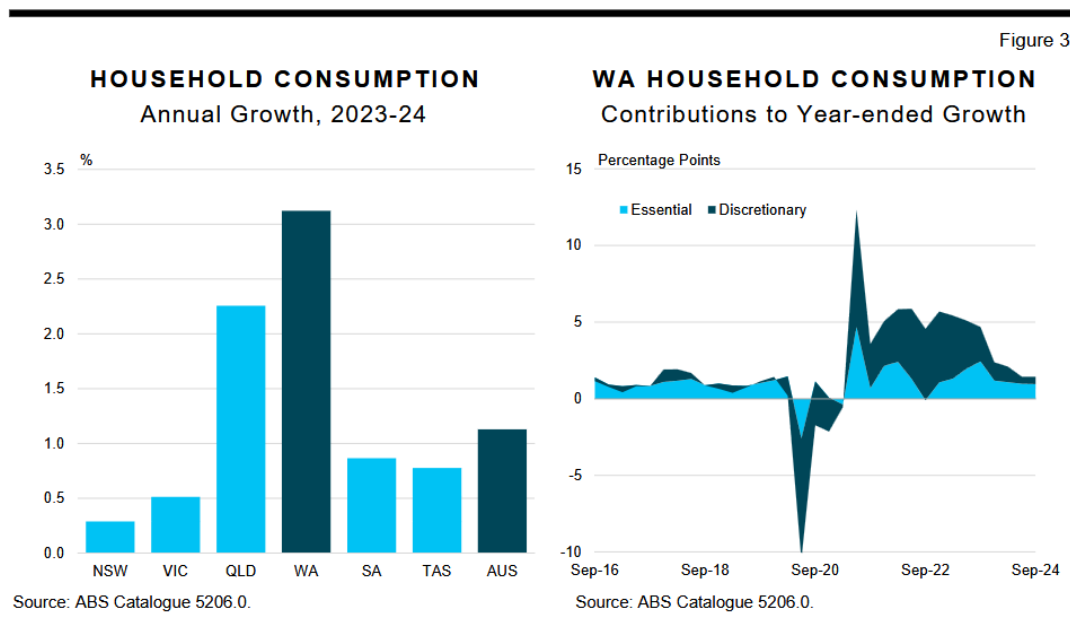
- 3.7. As noted in the 2024-25 Pre-election Financial Projections Statement, household consumption is forecast to remain resilient on the back of growth in employment, wages, population and wealth (primarily reflected through house prices). Household consumption grew by 3.1 per cent in 2023-24, which was the fastest rate in the nation. In the year to September 2024, it grew by 2.4 per cent, which was likewise the strongest growth of all states.

<sup>2</sup> Australian Bureau of Statistics, *Monthly Employee Earnings Indicator* (19 February 2025).

<sup>3</sup> Australian Bureau of Statistics, *Weekly Payroll Jobs* (24 April 2024).

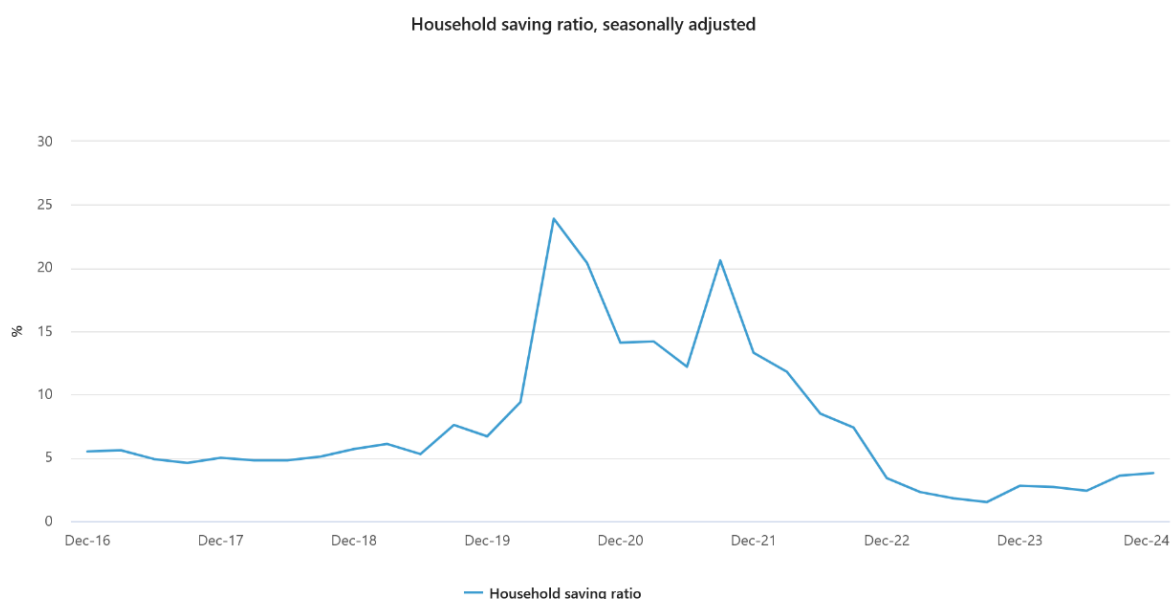
3.8. Reflecting the forecasts in the PFPS, the 2024-25 Mid-Year Review noted that:

*Over the outyears, aggregate consumption is anticipated to grow by 3% in 2025-26 and 2026-27, supported by ongoing wages and employment growth as well as high wealth (boosted by elevated house prices).*



### Household savings ratio

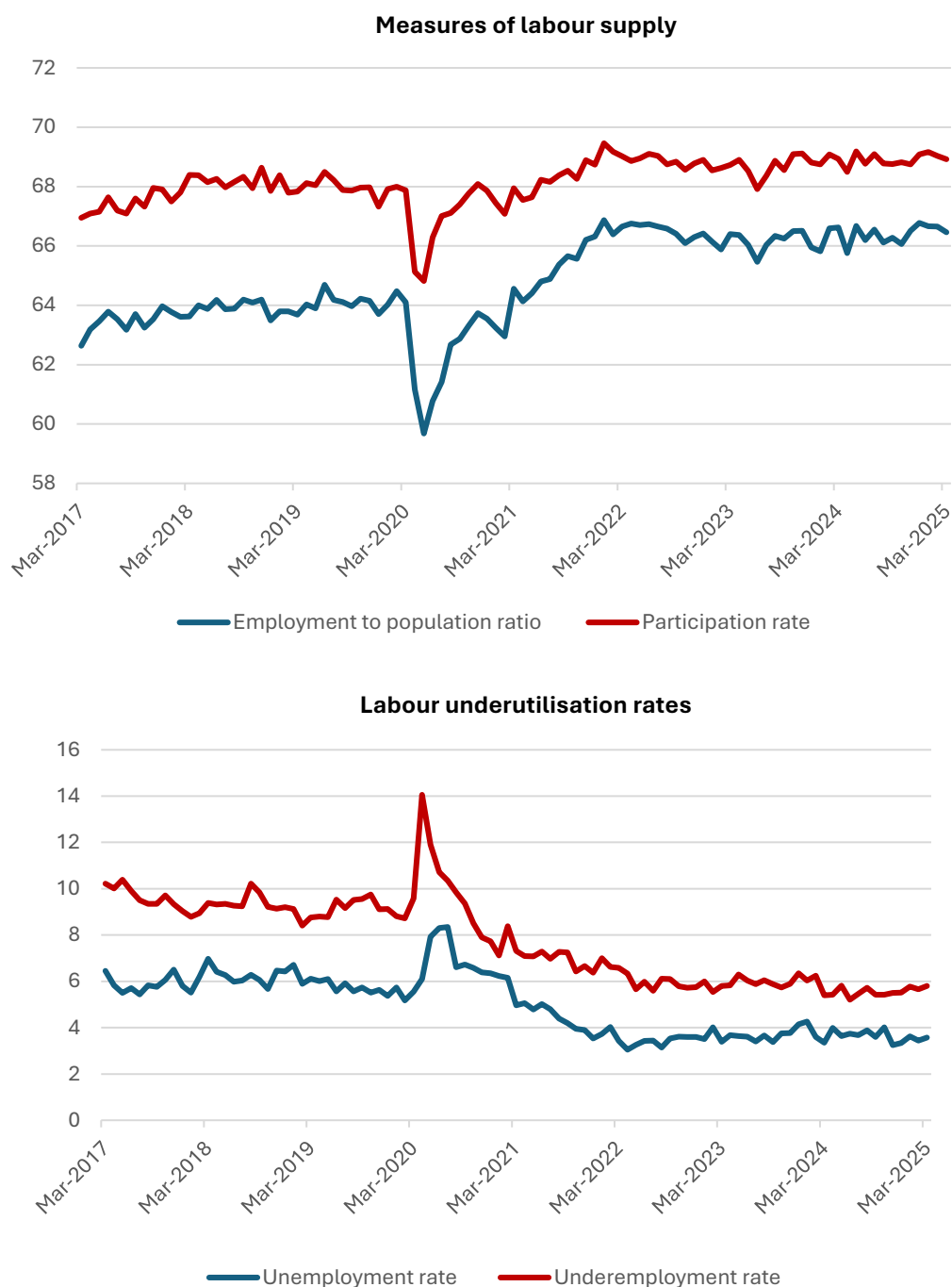
3.9. The household savings to income ratio remains below pre-pandemic levels despite some gradual improvement. Savings increased slightly in December due to a rise in gross disposable income compared to income payable. Nominal household final consumption expenditure detracted from household savings with increases in both volume and price of consumption.



Source: Australian Bureau of Statistics, Australian National Accounts: National Income, Expenditure and Product December 2024

## Labour Force

3.10. Strong labour market outcomes also reflect the resilience of Western Australia's economy over 2024. WA has the lowest unemployment rate of all states at 3.6 per cent and the equal lowest underemployment rate of 5.8 per cent with NSW. In fact, WA has sustained an unemployment rate below 4.5 per cent since August 2021 and has an underemployment rate below 6 per cent for the past twelve months. At the same time, WA has recorded the highest labour force participation rate of all states at 68.9 per cent and employment to population rate of 66.5 per cent.



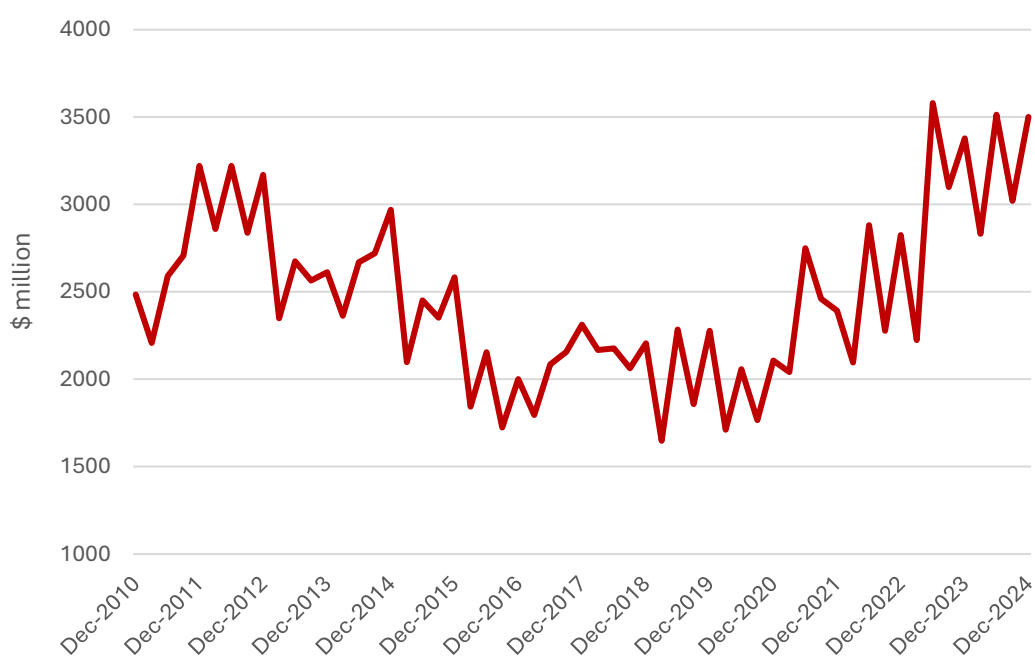
Source: ABS Labour Force, Australia

## Business Investment and Activity

3.11. The PFPS records that business investment grew by 12.7 per cent in 2023-24 and 6.9 per cent in the year to September 2024. The moderation in growth reflects the consolidation of business investment at high levels, supported by the significant pipeline of construction work on major projects.

3.12. Total non-mining private new capital in Western Australia rose by 15.9 per cent in the December quarter 2024, to be 3.6 per cent higher than a year earlier. This investment in new tangible assets, including major improvements, alterations, and additions, by businesses outside of the mining industry, is indicative of expectations relating to growth and increased activity.

**Total private new capital expenditure in Western Australia, non-mining, current price<sup>4</sup>**

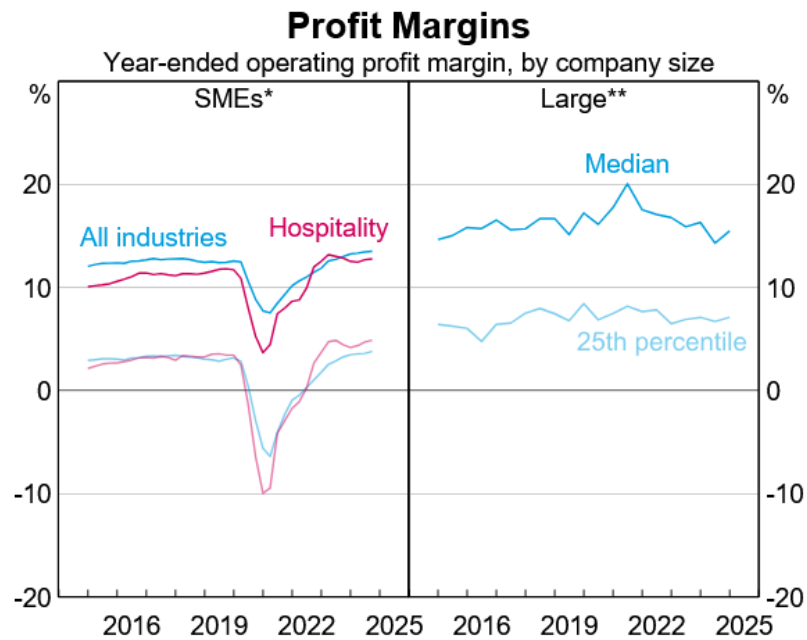


Source: ABS, *Private New Capital Expenditure and Expected Expenditure, Australia*

3.13. In its April 2025 Financial Stability Review, the Reserve Bank of Australia (RBA) noted that 'most businesses remain profitable, despite the ongoing pressures.' For the majority of large and small businesses, their profit margins are around the level recorded over the 2010s, as is the average share of businesses experiencing growth in profits or making losses over the past year. The RBA also notes that the increases in labour and non-labour costs, excluding interest payments, have been offset for many businesses by sufficient revenue growth.<sup>5</sup>

<sup>4</sup> Australian Bureau of Statistics, *Private New Capital Expenditure and Expected Expenditure, Australia* (27 February 2025).

<sup>5</sup> Reserve Bank of Australia, *Financial Stability Review* (Report, 3 April 2025).



Source: RBA, *Financial Stability Review*

#### Business entries and exits

3.14. Over 2023-24 there was a net growth in the number of businesses in Western Australia, which increased by 8,698, compared to 6,384 the year before. Along with the ACT, WA had the largest percentage increase of businesses in the nation at 3.5 per cent.<sup>6</sup>



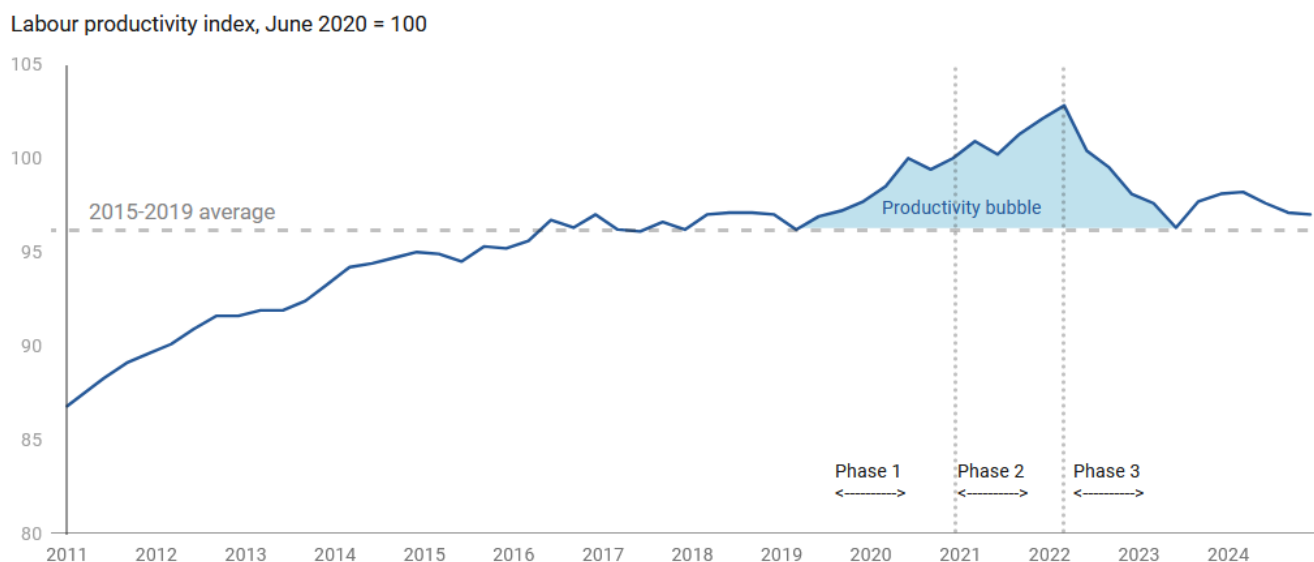
Source: ABS (2024) *Counts of Australian Business*

<sup>6</sup> Australian Bureau of Statistics, *Counts of Australian Business, including Entries and Exits* (27 August 2024).

3.15. The RBA has noted that though the share of companies entering insolvency has increased over the past couple of years, on a cumulative basis it remains below the pre-pandemic trend. The Reserve Bank has identified that insolvencies have increased as pandemic supports for businesses have been removed. Those measures assisted businesses to stay afloat longer, which has led to a ‘catch-up’ as those businesses with underlying issues still failed.<sup>7</sup>

### Productivity

3.16. The level and growth of labour productivity has not changed significantly since last year’s State Wage Case decision. On the other side of the COVID-19 induced productivity bubble, labour productivity continues to sit slightly above the pre-pandemic average.<sup>8</sup>

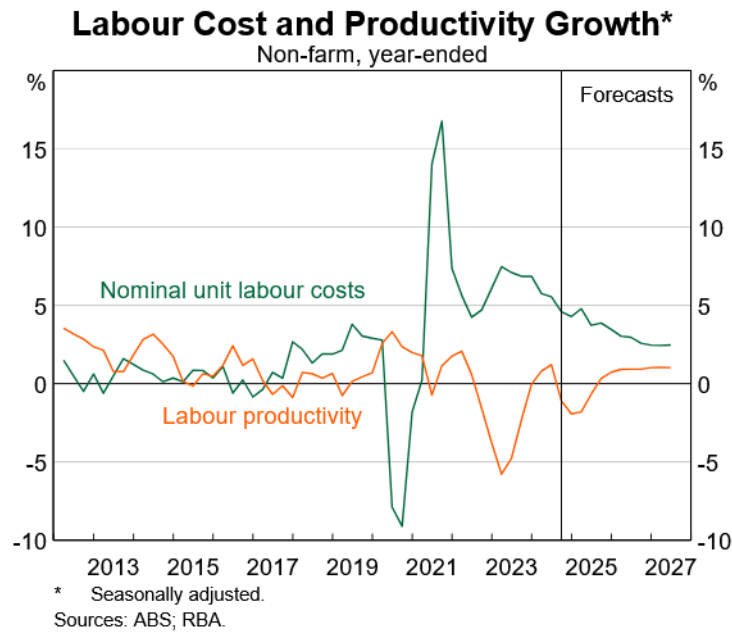


Source: Productivity Commission, March 2025 Quarterly Productivity Bulletin

3.17. The Reserve Bank forecast in its February 2025 Statement on Monetary Policy that labour productivity growth will gradually increase over the next two years to reach its long-term average rate, when pandemic impacts are excluded. Driven by strong growth in multifactor productivity, the forecast increase is higher than rates observed over the five years leading up to the pandemic.

<sup>7</sup> Reserve Bank of Australia, *Financial Stability Review* (Report, 3 April 2025).

<sup>8</sup> Productivity Commission, *Quarterly Productivity Bulletin* (Report, 27 March 2025).



3.18. The Reserve Bank also identifies that there are challenges in how productivity is measured that result in the potential underestimation of the productivity growth in non-market sectors such as health care.<sup>9</sup> As outlined recently by Michael Plumb, Head of Economic Analysis Department at the Reserve Bank, the rising share of non-market employment has weighed on overall measured productivity. The difficulties with identifying meaningful measures of outputs that can be used to measure productivity, however, means that the supposed drag from this sector on productivity ‘may be overstated’.<sup>10</sup> Research by the Productivity Commission has found that in fact, parts of the healthcare sector has experience robust productivity growth in recent years and Australia’s sector is in fact one of the world’s most productive.<sup>11</sup>

3.19. The mining industry has also been a cause for depressed productivity growth. Plumb states that while ‘the *level* of productivity in the mining industry in Australia is higher than in other industries, productivity *growth* in that industry has declined over recent years.’

3.20. Westpac likewise identifies that the non-market and mining sectors continue to weigh on aggregate labour productivity outcomes. Importantly, Westpac notes that ‘cost pressures in these sectors are less important for inflation outcomes – non-market output is highly subsidised, and a large share of mining output is exported.’<sup>12</sup>

3.21. UnionsWA contends, therefore, that the high level of business investment in Western Australia and the significant investment in non-mining private new capital, demonstrate that is appropriate to take an optimistic view of the productivity outlook for the sectors

<sup>9</sup> Reserve Bank of Australia, *Statement on Monetary Policy* (Report, 18 February 2025).

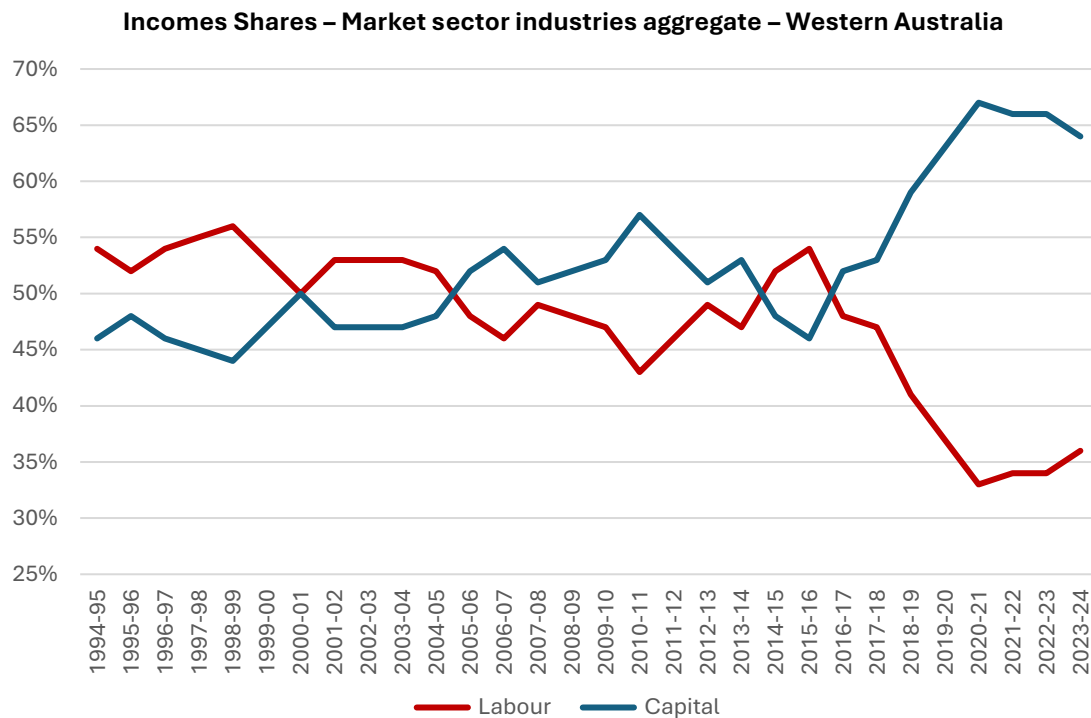
<sup>10</sup> Michael Plumb, ‘Why Productivity Matters’ (Speech, Australian Business Economists Annual Forecasting Conference) <[www.rba.gov.au/speeches/2025/sp-so-2025-02-27.html](http://www.rba.gov.au/speeches/2025/sp-so-2025-02-27.html)>.

<sup>11</sup> Productivity Commission, *Advances in measuring healthcare productivity* (Research Paper, April 2024).

<sup>12</sup> Westpac IQ, *Australian National Accounts Bulletin* (Report, 30 October 2024).

that employ workers in the state system.

3.22. When real product wages growth falls short of growth in labour productivity, the result is a fall in the labour share of income. This is because the labour income share is equivalent to the real unit cost of labour, which is the real cost of an hour of labour divided by the real product of an hour of labour.<sup>13</sup> Examining the ABS Estimates of Industry Multifactor Productivity paints a stark picture of what has occurred to Western Australia's labour income share since 2017-18, resulting in the largest decline in labour income share since the mid-1990s.



Source: ABS (2025), Estimates of Industry Multifactor Productivity

3.23. The labour income share is 11 percentage points lower now than it was in 2017-18 and 16 percentage points lower than ten years ago. This indicates that growth in real product wages, the level of wages relative to the price of the output employers sell, has significantly lagged behind labour productivity growth over that period. The value of workers' output has grown faster than the real wage. Though slight improvements can be seen, UnionsWA contends therefore that there is significant space for the Commission in Court Session to increase award wages given these figures.

#### *The state of the national economy*

3.24. Escalating trade tensions driven by the United States is weighing on the global outlook. According to modelling by the Australian Treasury for the Commonwealth Budget,

<sup>13</sup> Dean Parham, 'Labour's Share of Growth in Income and Prosperity' (Visiting Researcher Paper, Productivity Commission, September 2013) 59-64.

however, 'the total impact (direct plus indirect) of the tariffs on Australia's economy by 2030 is expected to be modest.' The Budget further states:

*Despite heightened global uncertainty, growth has picked up and a soft landing is looking increasingly likely. The economy is expected to gain further momentum over 2025 as private final demand gradually recovers. Real GDP is forecast to grow by 1½ per cent in 2024–25, 2¼ per cent in 2025–26 and 2½ per cent in 2026–27.*

**Table 1.1: Major economic parameters<sup>(a)</sup>**

	Outcome	Forecasts				
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Real GDP	1.4	1 1/2	2 1/4	2 1/2	2 3/4	2 3/4
Employment	2.2	2 3/4	1	1 1/4	1 1/2	1 1/2
Unemployment rate	4.0	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
Consumer price index	3.8	2 1/2	3	2 1/2	2 1/2	2 1/2
Wage price index	4.1	3	3 1/4	3 1/4	3 1/2	3 3/4
Nominal GDP	4.1	4 1/4	3 1/4	4	5 1/4	5 1/2

a) Real GDP and Nominal GDP are percentage change on preceding year. Employment, the consumer price index and the wage price index are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter. The labour market forecasts do not incorporate the February 2025 release of the ABS Labour Force.

Source: Commonwealth Government, Budget 2025-26

3.25. Real GDP increased 0.6 per cent in the December quarter, an uptick on the 0.3 per cent growth in the September quarter and the fastest quarterly growth since December 2022. Year on year growth also picked up in the December quarter, with the economy increasing 1.3 per cent over the year to December, up from the 0.8 per cent increase over the year to September.

3.26. Similarly to the state environment, the budget reports that business investment has grown solidly for the past two years. While growth is forecast to moderate over the period ahead, the level of business investment is expected to remain at its recent decade high.

3.27. UnionsWA contends that both the WA and Australian economies continue to be well placed to make increases to minimum and award wages that will compensate for the rising costs of living and materially improve people's circumstances.

#### **4. The needs of the low paid, fair wage standards & improved living standards for employees**

##### *Inflation*

4.1. Even as growth in the Consumer Price Index moderates, the cumulative impact of significant and sustained price increases is eroding the purchasing power of Western Australian households. CPI provides a key measure of price inflation for households,

tracking price movements for a fixed basket of goods and services over time.

**Perth CPI percentage changes from previous financial year<sup>14</sup>**

	2020-21	2021-22	2022-23	2023-24
Percentage change	1.6%	6.0%	6.2%	4.3%

Source: ABS, *Consumer Price Index*

- 4.2. The most recent CPI figure for Perth which the Commission in Court Session can consider is the March Quarter increase of 2.8 per cent from the corresponding quarter of the previous year. This is the highest percentage change of any capital city. When the electricity subindex is excluded, to remove the impacts of the temporary household electricity credits, this increase sits at 3.4 per cent. Expenditure items in Perth whose annual increase exceeded 3.4 per cent include:

**Tradeable items (goods and services exposed to international trade)**

Lamb and goat	Fruit	Oils and fats	Cheese	Garments for women	Footwear for infants and children	Gas and other household fuels	Spare parts and accessories for motor vehicles	Audio, visual and computing media and services
18.7	19.0	5.2	5	3.7	5.2	5.2	7.8	7.8

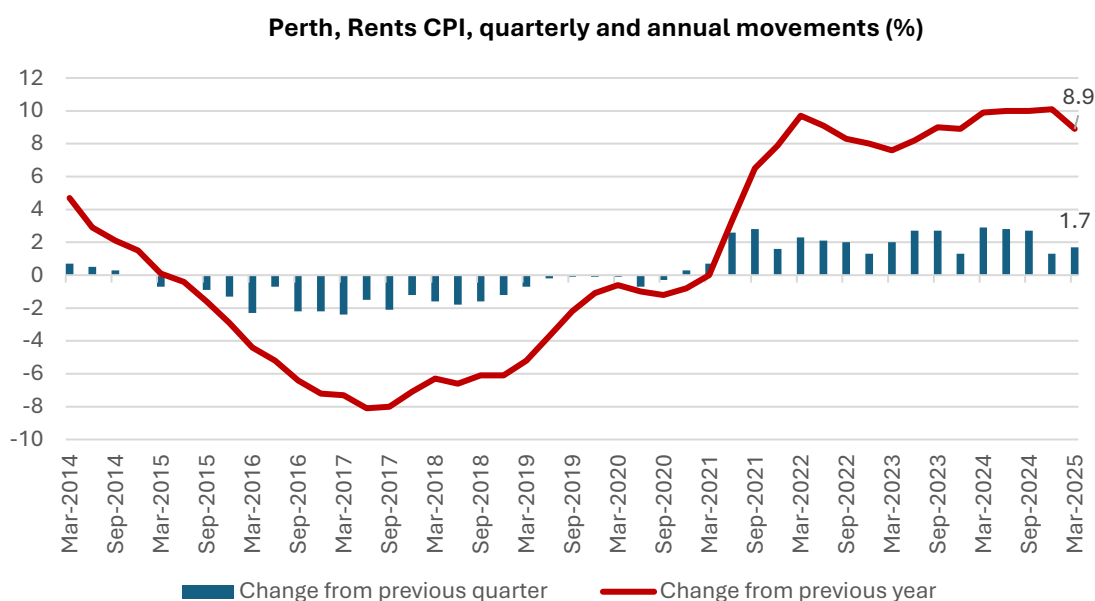
**Non-tradeable items (goods and services that do not face international competition)**

Eggs	Takeaway and fast foods	Rents	New dwelling purchase by owner-occupiers	Property rates and charges	Child care	Hairdressing and personal grooming services	Medical, dental and hospital services	Insurance	Education
9.2	7.1	8.9	10.1	4.7	5.1	6.4	5.6	9.4	5.6

Source: ABS, *Consumer Price Index*

- 4.3. Workers, and in particular lower paid workers, are usually ‘price takers’ where ‘non-tradable’ goods are concerned. This is particularly the case with rental prices.
- 4.4. Rental price increases remain a pronounced pressure on low paid workers, with the Perth Rents CPI increasing in the March 2024 quarter on an annual basis by 8.9 per cent and from the previous quarter by 1.7 per cent.

<sup>14</sup> Australian Bureau of Statistics, *Consumer Price Index, Australia* (29 January 2025).

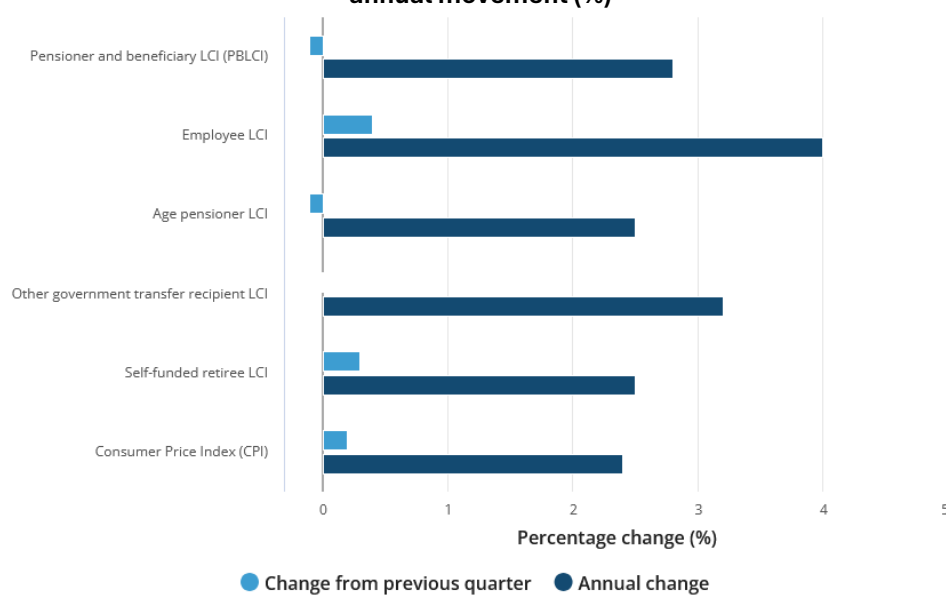


Source: ABS, *Consumer Price Index*

### Selected Living Cost Indexes

- 4.5. The ABS selected living cost indexes, which measure the changes over time of the after-tax incomes of households, has seen quarterly increases in living costs for employee households, whose primary source of income is wages and salaries, continually outstrip CPI increases since September 2022. The December Quarter 2024 figures revealed that employee households had the largest annual rise in living costs of all household types at 4 per cent from the previous year.<sup>15</sup>

### Selected Living Cost Indexes (LCIs) by household type and CPI, Australia, quarterly and annual movement (%)



Source: ABS, *Selected Living Cost Indexes*

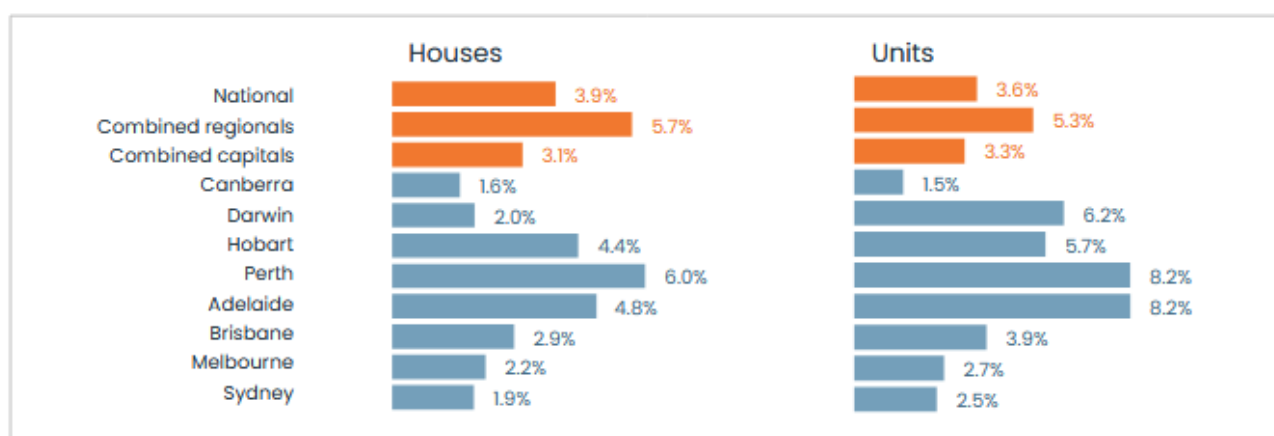
<sup>15</sup> Australian Bureau of Statistics, *Selected Living Cost Indexes, Australia* (5 February 2025).

## Rental listing data

- 4.6. CoreLogic's Quarterly Rental Review reported that Perth continues to record the largest annual rental increase among the capitals, up 6.3%, with median weekly rent at \$710. This makes Perth the second most expensive city in Australia in which to rent, after Sydney.<sup>16</sup>

Region	Median rent	Change in rents (all dwellings)		
		Month	Quarter	12 months
Sydney	\$781	0.6%	1.4%	2.1%
Melbourne	\$608	0.3%	0.8%	2.4%
Brisbane	\$670	0.6%	1.9%	3.1%
Adelaide	\$622	0.5%	1.8%	5.5%
Perth	\$710	0.9%	2.2%	6.3%
Hobart	\$574	1.2%	2.3%	4.6%
Darwin	\$640	0.3%	0.3%	3.6%
Canberra	\$677	0.4%	1.5%	1.6%
Combined capitals	\$685	0.6%	1.5%	3.1%
Combined regionals	\$573	0.7%	2.2%	5.6%
National	\$654	0.6%	1.7%	3.8%

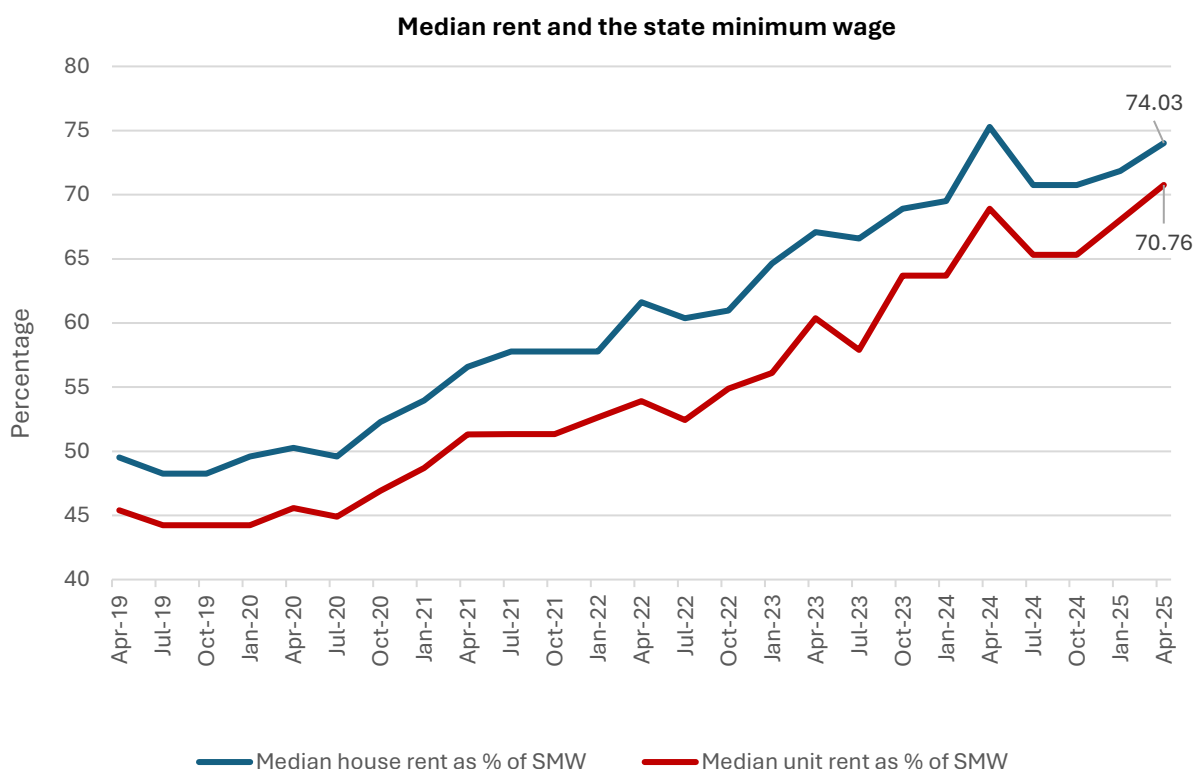
## 12-month change in rental rates



Source: CoreLogic 2025

<sup>16</sup> CoreLogic, *Quarterly Rental Review* (Report, 16 April 2025).

- 4.7. Examining the median rental data published by the Real Estate Institute of WA (REIWA) reveals that as of April 2025, median house rents consume an astronomical 74.03 per cent of the state minimum wage and median unit rents 70.76 per cent.



Source: REIWA, WA Department of Commerce & UnionsWA calculations

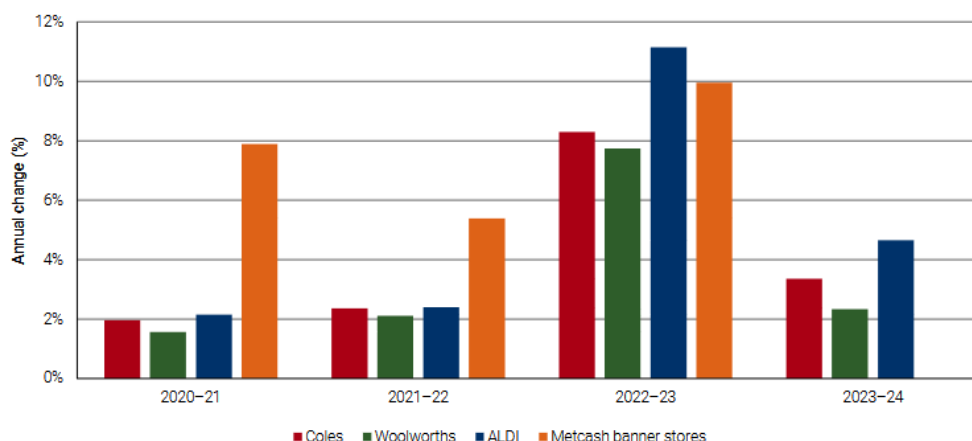
- 4.8. This indicates that for state minimum wage-reliant workers, the improvements in their income following last year's State Wage Order have been quickly subsumed by the continuing escalation in rental prices. As such, real wage increases are essential for workers to be able to secure and maintain housing.

#### Supermarket prices

- 4.9. In its 2024-25 supermarket inquiry, the Australian Competition & Consumer Commission reported that over the last five years, grocery prices have risen by more than other goods and services, with wages not keeping pace with grocery inflation. Direct analysis by the ACCC of supermarket prices found that they have increased substantially in the last 5 financial years, with the largest increase in the 2022-23 financial year.<sup>17</sup>

<sup>17</sup> Australian Competition and Consumer Commission, *Supermarkets inquiry final report* (Report, 21 March 2025).

### Annual change in effective prices for each supermarket between 2020–21 and 2023–24 financial years



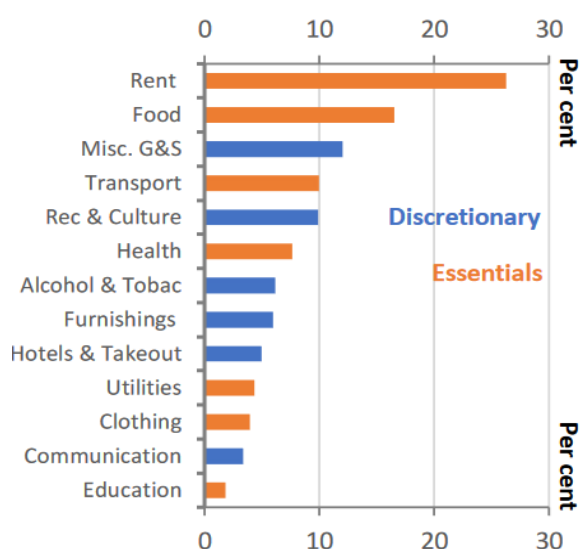
Note: We did not obtain data for Metcash banner stores for the 2023–24 financial year. Further, Metcash banner stores' financial year period follows a May to April cycle, unlike the other supermarkets whose financial year period is the conventional July to June cycle. As a result, Metcash banner stores' financial year data does not wholly align with the other supermarkets' data.

Source: ACCC analysis; Information provided to the ACCC.

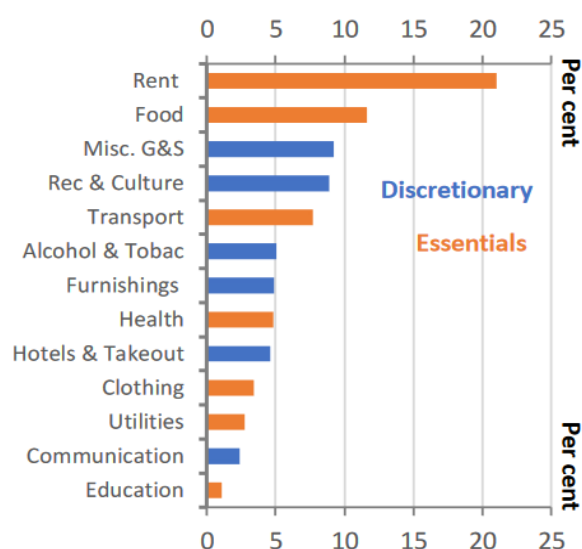
### Consumption as share of income

4.10. The particular relevance of escalating rental and food prices in regard to meeting the needs of the low paid and the living standards of employees is apparent when considering the consumption patterns of the lowest two income quintiles.

#### Consumption as a share of income – lowest quintile



#### Consumption as a share of income – second quintile



Source: ABS National Accounts: Distribution of Household Income, Consumption and Wealth & ACTU calculations

4.11. The ABS National Accounts data demonstrates that for the lowest two income quintiles, rent consumes the greatest share of income, followed by food. As a result, the

historically large rental increases being experienced by households in Perth has the effect of ‘crowding out’ expenditure on other consumption categories as there is less income remaining after covering those costs.

#### *Low pay benchmark*

- 4.12. In last year’s Annual Wage Review, the Fair Work Commission identified the ‘low paid’ as those employees whose ordinary-time earnings are below two-thirds of median adult ordinary-time earnings of all full-time employees. To measure this benchmark, they referred to ABS Characteristics of Employment (COE) data and the Employee Earnings and Hours (EEH) data.<sup>18</sup> On the COE measure, full-time adult employees receiving a weekly pay rate up to and including the C5 classification rate is below the low paid threshold. Current EEH data is unfortunately not available at the time of this year’s State Wage Case.

**Metal Trades (General) Award Rates as % of WA median weekly employee earnings**

Award classification	Weekly Rate	Percentage of median weekly earnings
C14	\$918.60	49.87%
C13	\$918.60	49.87%
C12	\$946.40	51.38%
C11	\$972.40	52.79%
C10	\$1,017.00	55.21%
C9	\$1,044.80	56.72%
C8	\$1,072.20	58.21%
C7	\$1,097.50	59.58%
C6	\$1,152.70	62.58%
C5	\$1,180.40	64.08%

Source: WAIRC, ABS COE, UnionsWA calculations

- 4.13. Meeting the needs of the low paid, let alone contributing to improved living standards for employees, necessitates that these workers are awarded pay increases that compensate for the rising costs of living and restore real wage growth for award wages.

#### *Real wage decline*

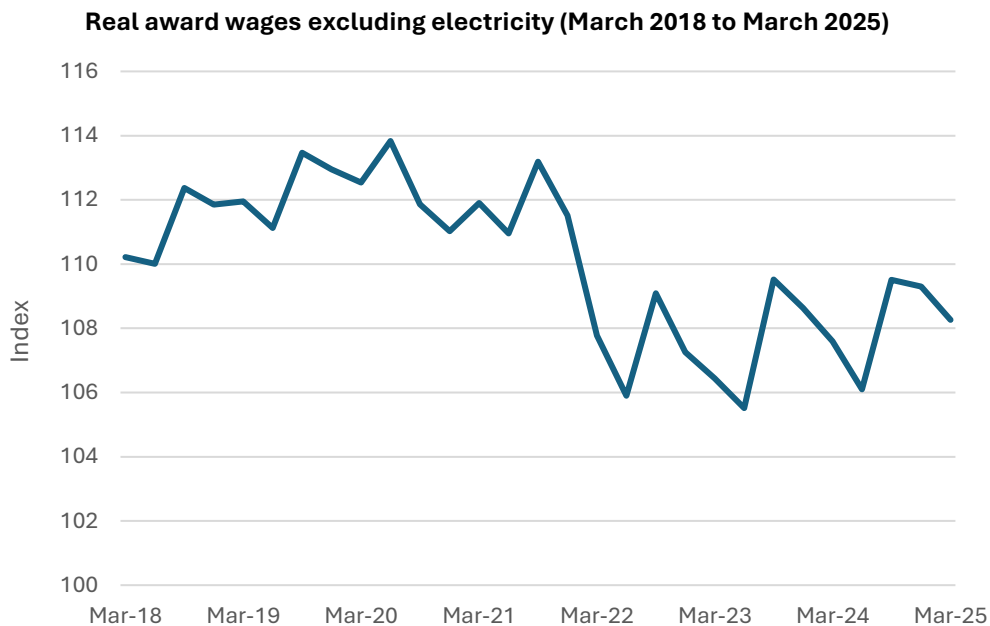
- 4.14. Though CPI is just one measure of the price pressures that are experienced by wage earners, the extent to which state award-reliant workers in Western Australia have been exposed to increases in living costs can be reflected through measures of real wages. We show this below deflating the decisions of the WAIRC by both Perth CPI and Perth CPI excluding the electricity sub-index to remove the volatility resulting from the successive Household Electricity Credits.

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<sup>18</sup> [2024] FWCFB 3500 at [72].



Source: WAIRC, ABS CPI, UnionsWA calculations.



Source: WAIRC, ABS CPI, PFPS, UnionsWA calculations.

- 4.15. On both measures, real award wages show a decline. Real award wages as measured using WAIRC decisions and Perth CPI shows a decline of 3.2 per cent from the peak in June 2020. An even greater decline of 4.92 per cent from June 2020 is observed when the electricity sub-index is excluded.
- 4.16. Another way to consider real wage growth is to deflate the State Wage Case decisions by CPI at the time the decision came into effect. Examining each decision from 2021, it is clear that the increases in award rates have been outstripped by Perth CPI in every

year except 2023, both when electricity is included and excluded. The cumulative result is a real wage decline of 4.65 per cent and 4.95 when electricity is excluded over that period.

#### Real wage movements in award rates from 2021 to 2024

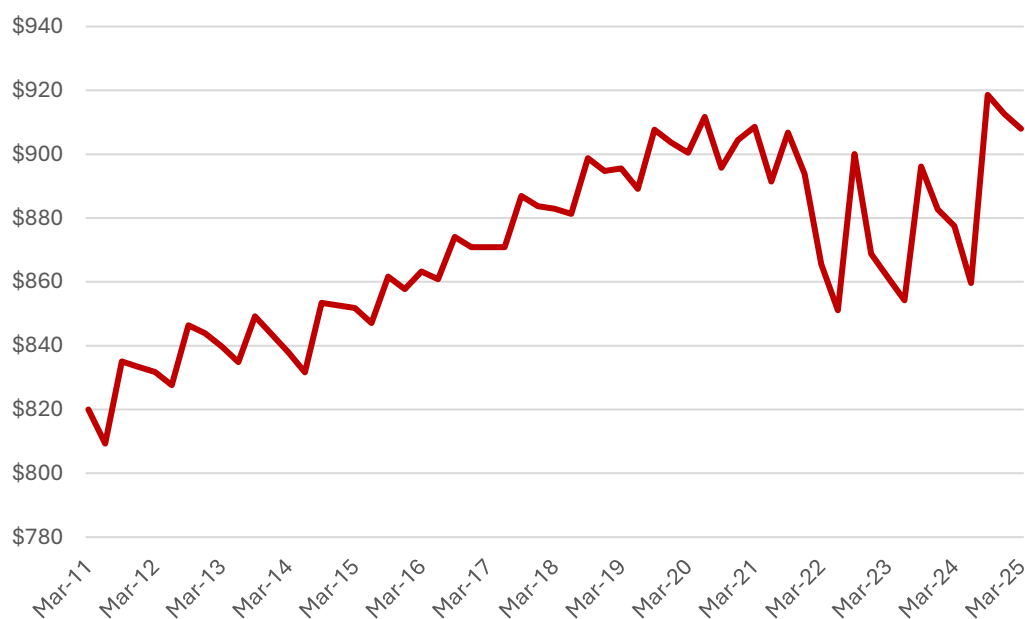
State Wage Order	Increase in Award rates	Perth CPI (*)	Real wage movement	Perth CPI excl electricity	Real wage movement excl electricity
2021	2.5%	4.2%	-1.7%	4.5%	-2%
2022	4.65%	7.4%	-2.75%	7.2%	-2.55%
2023	5.3%	4.9%	0.4%	5%	0.3%
2024	4%	4.6%	-0.6%	4.7%	-0.7%
		Cumulative	-4.65%		-4.95%

(\*) Perth CPI annual growth over the year to the June quarter

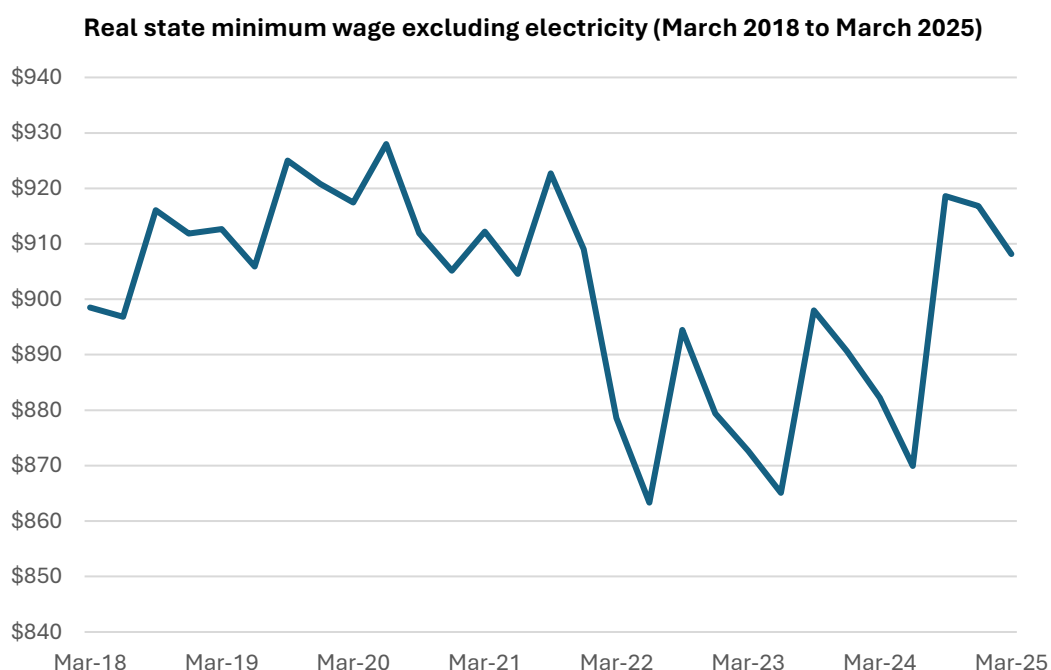
Source: WAIRC, ABS CPI, UnionsWA calculations.

- 4.17. The realignment of the state minimum wage to from the C14 level to the C13 level in 2024 means that it has a different path to award wages. Measuring the real value of the state minimum wage using Perth CPI, with no exclusions, indicates a level of modest growth when considering the pre-pandemic trajectory of the state minimum wage. When the electricity sub-index is excluded from Perth CPI, however, it is apparent that even following the realignment, real wage decline has occurred from the June 2020 high point of 2.14 per cent.

#### Real state minimum wage (March 2011 to March 2025)



Source: WAIRC, ABS CPI, UnionsWA calculations.



Source: WAIRC, ABS CPI, PFPS, UnionsWA calculations.

- 4.18. Measuring recent increases in the state minimum wage against Perth CPI at the time the decisions came into effect shows a real wage decline of 1.66 per cent and 1.96 when electricity is excluded over that period. This is driven by Perth CPI, including and excluding the electricity sub-index, outstripping state minimum wage increases in 2021 and 2022.

**Real wage movements in the state minimum wage from 2021 to 2024**

State Wage Order	Increase in SMW rate	Perth CPI (*)	Real SMW movement	Perth CPI excl electricity	Real SMW movement excl electricity
2021	2.5%	4.2%	-1.7%	4.5%	-2%
2022	5.25%	7.4%	-2.15%	7.2%	-1.95%
2023	5.3%	4.9%	0.4%	5%	0.3%
2024	6.39%	4.6%	1.79%	4.7%	1.69%
		Cumulative	-1.66%		-1.96%

Source: WAIRC, ABS CPI, UnionsWA calculations.

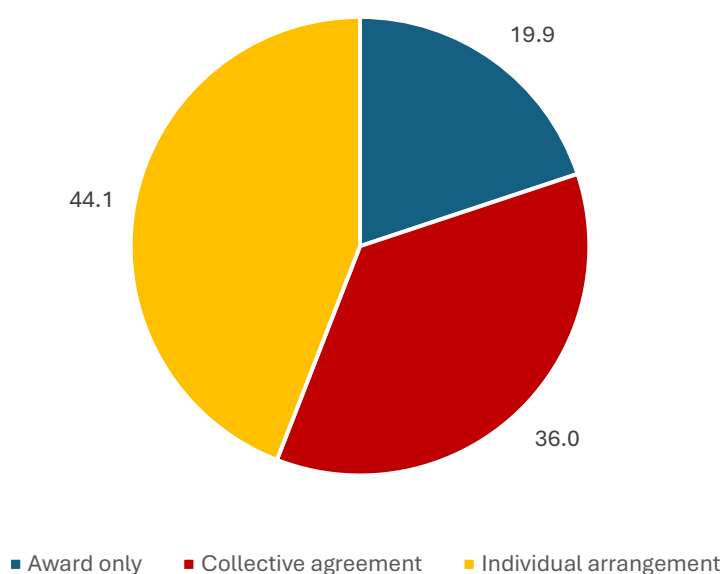
- 4.19. What these different measures indicate is that despite real increases for the state minimum wage in the last two decisions and in 2023 for award wages, state minimum wage and award-reliant workers have experienced a real wage decline. UnionsWA submits that this year's State Wage determination is the appropriate opportunity to

make substantial progress in repairing the real value of minimum and award wages.

## 5. Protecting employees unable to reach an industrial agreement

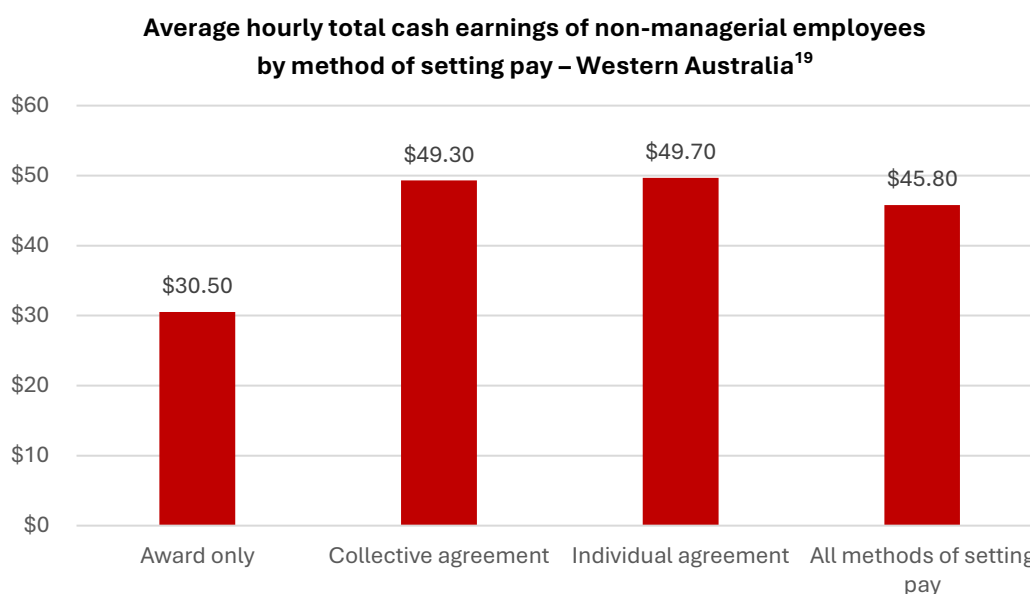
- 5.1. UnionsWA contends that an increase in the state minimum wage in WA is critical to assist those workers who are less likely or unable to negotiate liveable increases for themselves. An increase is also of significant importance for lower income households where income is principally derived from wages. In addition, an increase will benefit households with a mixture of lower and higher income earners by providing more independence for the lower income earners and taking financial pressure off the higher earners.
- 5.2. As the last collection date for the ABS *Employee Earnings and Hours* survey was May 2023, there has not been an update in the key data set for measuring award reliance. As of that dataset, award only workers comprised just under 20 per cent of employees by method of setting pay in Western Australia.

**Share of WA employees (%) by method of setting pay**



Source: ABS, *Employee Earnings and Hours, Australia*

- 5.3. That dataset also showed that of non-managerial employees in Western Australia, those who were only paid under an award were earning on average just 66.59 per cent of the average of all methods of setting pay and 61.87 per cent of those employed under a collective agreement.



Source: ABS, *Employee Earnings and Hours, Australia*

- 5.4. In its submission to the Annual Wage Review, the WA government notes that ‘there is a particularly high level of award reliance in three of Australia’s largest employing industries - Health Care and Social Assistance; Retail Trade; and Accommodation and Food Services.’<sup>20</sup>
- 5.5. Regular and substantive increases to the state minimum wage and award rates are essential for those who cannot to negotiate wage increases and protects those unable to negotiate an industrial agreement.

## 6. Encouraging ongoing skills development

- 6.1. The Commonwealth Strategic Review of the Australian Apprenticeship Incentive System determined that low training wages are a significant factor for why apprentices do not complete their training, as well as acting as an important barrier to entering an apprenticeship in the first place. The lower rate of training wages to entry-level jobs creates a strong incentive to leave training for a higher-paid, lower-skilled job to gain short-term financial stability. Notably, the Review reported that it heard that apprentices may be required to take a second job or do more overtime than they would prefer, in order to be able to cover their basic living costs.<sup>21</sup>
- 6.2. The latest ‘in-training’ data for WA from the National Centre for Vocational Education Research (NCVER) reveals a 5.3 per cent decrease in the 12 months leading up to September 2024 of the number of apprentices and trainees in training, along with a

<sup>19</sup> Australian Bureau of Statistics, *Employee Earnings and Hours, Australia* (January 2024).

<sup>20</sup> Government of Western Australia, Submission to the Fair Work Commission, *2024-25 Annual Wage Review* (2 May 2025).

<sup>21</sup> Department of Employment and Workplace Relations, *Skills for tomorrow: Shaping the future of Australian apprenticeship, Strategic Review of the Australian Apprenticeship Incentive System 2024 Final Report* (13 September 2024).

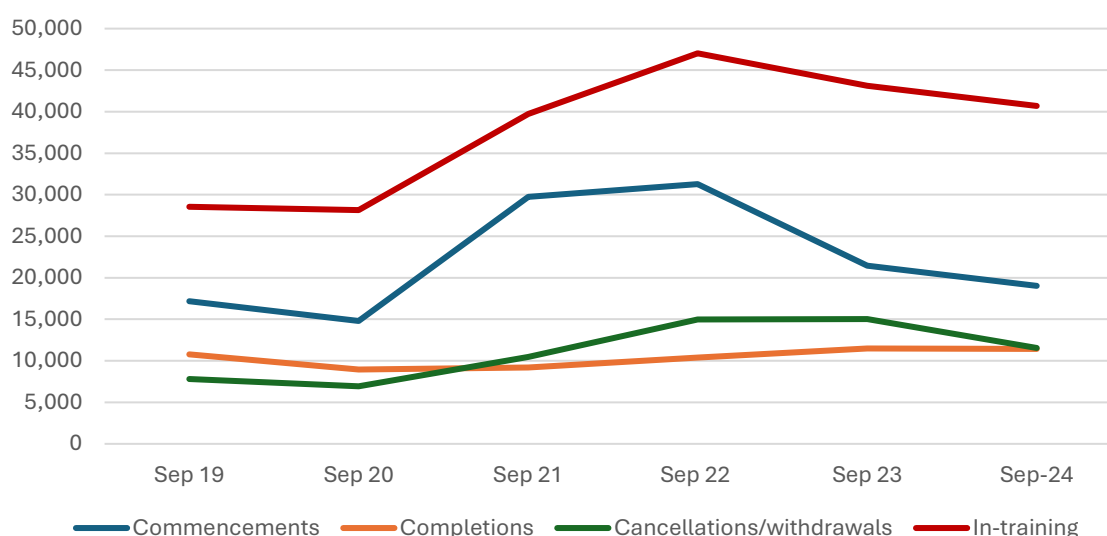
noticeable decrease in the number of commencements. The decline of apprentices and trainees commencing and being in-training continues from September 2022.<sup>22</sup>

## In-training highlights for Western Australia - 12 month series

as at 30 September 2024



WA apprentices and trainees – September quarter 12-month series



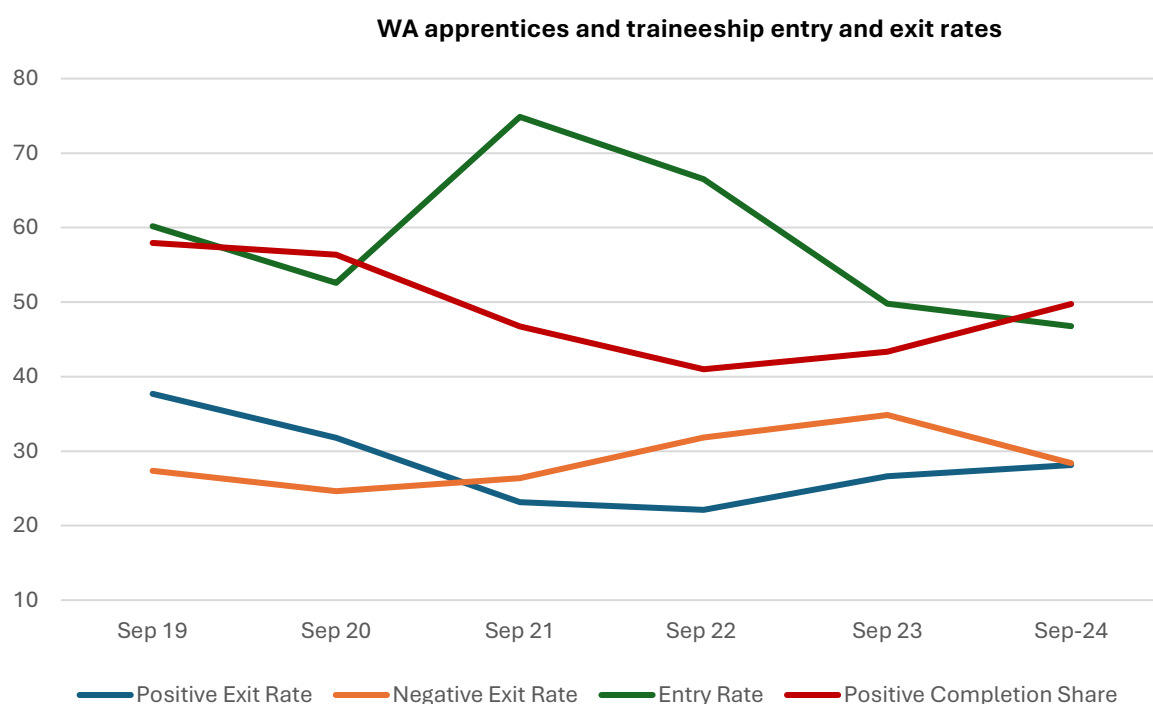
Source: National Centre for Vocational Education and Research

6.3. To examine the apprentice and traineeship entry and exit data in relative terms, we can use the following concepts:

- positive exit rate*: the number of completions as a share of the number of persons in training, expressed as a percentage;

<sup>22</sup> National Centre for Vocational Education and Research, *Apprentices and trainees 2024: September Quarter* (Statistical Report, 25 March 2025).

- b) *negative exit rate*: the number of cancellations or withdrawals as a share of the number of persons in training, expressed as a percentage;
- c) *entry rate*: the number of persons commencing training as a share of the persons in training, expressed as a percentage; and
- d) *positive completion share*: the number of persons who complete the training, as a share of the total of those who both complete or cancel/withdraw.



Source: NCVER, UnionsWA calculations.

- 6.4. The positive completion rate sits just under 50 per cent, indicating more apprenticeships and traineeships end in cancellations or withdrawals than completion, though it does demonstrate a lift over the past two years. What is of particular concern is the clear low point in the entry rate.
- 6.5. UnionsWA contends that this is likely the result of cost-of-living pressures that place a greater barrier in front of those who would otherwise be interested in undertaking an apprenticeship or traineeship due to the lower apprentice rates of pay. As such, an increase to the state minimum wage that flows through to apprentices and trainees is essential for encouraging ongoing skill development in Western Australia.

## 7. Providing equal remuneration

- 7.1. The Fair Work Commission recently stated in its *Gender-based Undervaluation Priority Awards Review* decision that,

The significance of modern award minimum wage rates for gender pay gaps is the position, both historically and currently, that women are significantly more

likely to be paid at the award rate than men are at all levels of the award structure, that workers paid at the award rate are much more likely to be low-paid than are other workers, and that, at least at the highest classifications in awards, women are heavily over-represented among those who are paid at the award rate.<sup>23</sup>

7.2. This reflects observations that the Fair Work Commission made in its 2023 Annual Wage Review decision that ‘increases to modern award minimum wage rates will provide a disproportionate benefit to female workers and may contribute to narrowing the aggregate gender pay gap across the entire employee workforce’.<sup>24</sup>

7.3. Nationally, women comprise 58.6 per cent of modern award-reliant employees and men comprise 41.4 per cent.<sup>25</sup> Women making up a great proportion of award-reliant workers is the case regardless of which age group is considered, with more than 60 per cent of modern award-reliant workers aged from 35 to 64, women.<sup>26</sup>

**Women and men modern award-reliant employees, by age group**

Age group (years)	Share of age group			Share of gender		Share of age group and gender	
	Women	Men	Total	Women	Men	Women	Men
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
14–20	56.1	43.9	100	20.5	22.7	58.5	53.5
21–24	53.0	47.0	100	14.4	18.1	38.4	37.2
25–34	58.0	42.0	100	22.6	23.1	23.4	18.0
35–44	63.0	37.0	100	15.0	12.4	15.8	9.4
45–54	65.0	35.0	100	13.6	10.3	16.2	9.6
55–64	61.6	38.4	100	10.7	9.5	18.2	11.7
65+	53.6	46.4	100	3.2	3.9	19.8	15.5
<b>Total</b>	<b>58.6</b>	<b>41.4</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>23.6</b>	<b>17.7</b>

Source: ABS, *Microdata: Employee Earnings and Hours, Australia, May 2023*.

7.4. The majority of both women and men award-reliant employees are in the bottom half of the household income distribution. A higher proportion of women, however, are considered low-paid award reliant employees relative to all award-reliant employees.<sup>27</sup>

<sup>23</sup> [2025] FWCFB 74, 38.

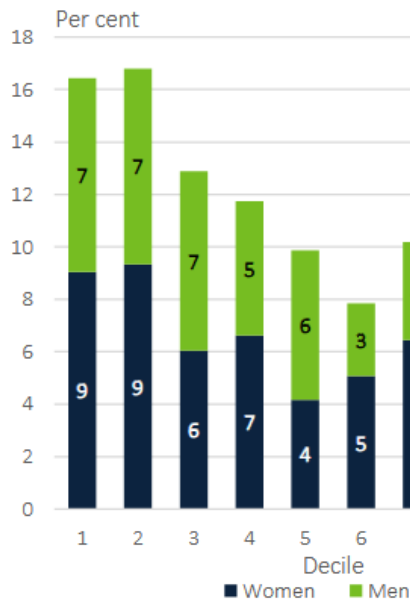
<sup>24</sup> *Annual Wage Review 2022–2023* [2023] FWCFB 3500, 9.

<sup>25</sup> Justin Strong, David Rozenbes and Josh Tomlinson, *A profile of employee characteristics across modern awards – 2023* (Fair Work Commission Research Report, February 2025).

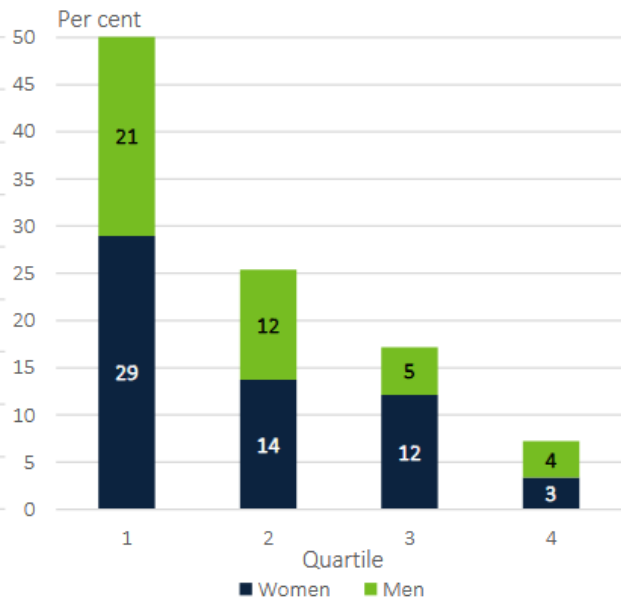
<sup>26</sup> Fair Work Commission, *Statistical Report – Annual Wage Review 2024–25* (Report, 24 April 2025).

<sup>27</sup> Jamie van Netten and Josh Lipp, *Award-reliant employees in the household income distribution of employees: an update* (Fair Work Commission Research Report, February 2025).

*Award-reliant employees*

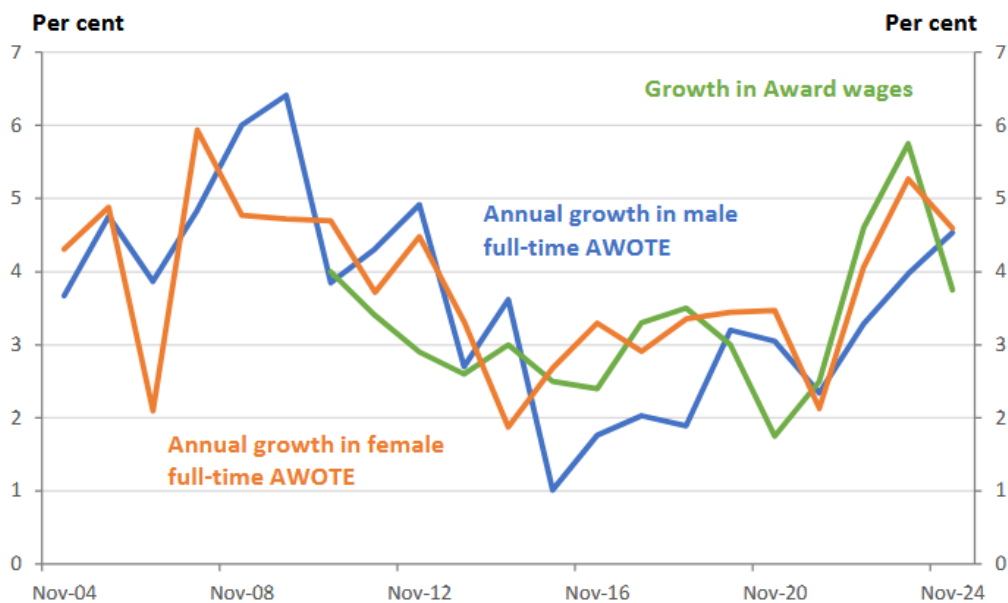


*Low-paid award-reliant employees*



- 7.5. Analysis undertaken by the Australian Council of Trade Unions reveals a light pull factor on growth in female AWOTE from the decisions by the Fair Work Commission on award wages.

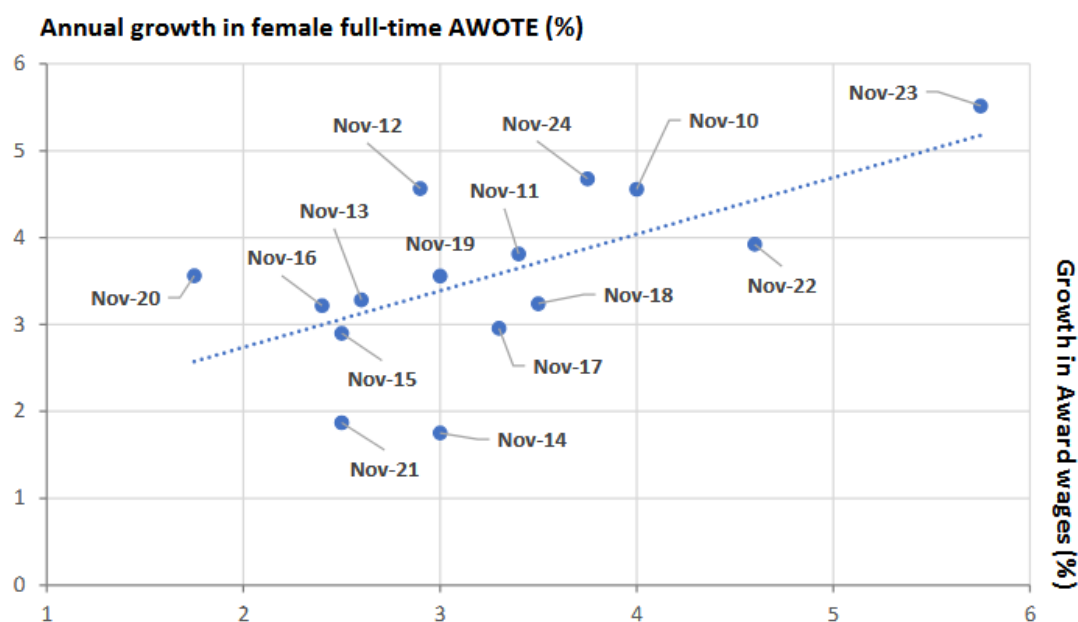
**AWOTE FT (Male/Female) & growth, modern award wages**



*Source: Average weekly earnings, Australia, Fair Work Commission decisions (various) & ACTU calculations*

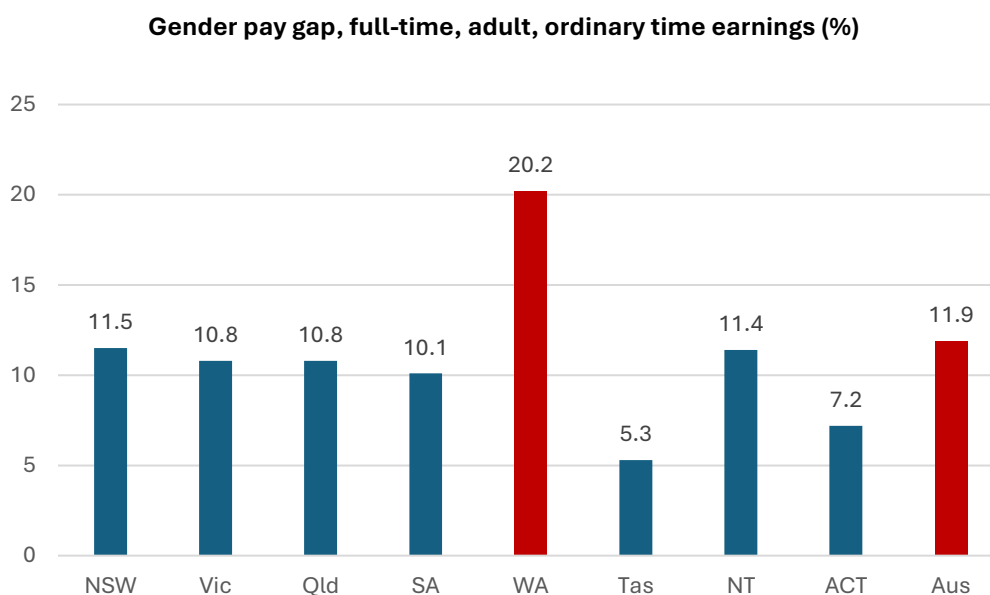
- 7.6. The ACTU has further identified a strong positive correlation between annual growth in female average weekly earnings and increases in award wages from Annual Wage Review decisions. The strong positive correlation suggests that a solid increase in award wages would contribute to lowering the aggregate gender pay gap across the workforce,

due to the overrepresentation of women workers on award wages.<sup>28</sup>



Source: Average weekly earnings, Australia, Fair Work Commission decisions (various) & ACTU calculations

7.7. This is of particular relevance in Western Australia, where the gender pay continues to be substantially higher than every other state and territory. ABS data reveals that as of November 2023, the gender pay gap in WA sits at 20.2 per cent.<sup>29</sup>



Source: ABS *Average Weekly Earnings*

<sup>28</sup> ACTU, Initial Submission to the Fair Work Commission, *2024-25 Annual Wage Review* (4 April 2024), 405-407.

<sup>29</sup> Australian Bureau of Statistics, *Average Weekly Earnings, Australia* (February 2025).

- 7.8. The positive impact that increases to minimum wages have on reducing gender wage gaps has been confirmed in recent international scholarly research examining a range of different labour markets. A 2024 review of empirical minimum wage studies in the European Union determined that an increase in the statutory minimum wage ‘can indeed contribute to reducing gender wage disparities’.<sup>30</sup> The review reflects the findings of the EUROMOD microsimulation model that the ‘gap between the average wages of men and women declines in all EU countries as the minimum wage increases.’<sup>31</sup>
- 7.9. A study of the Chinese labour market found that raising the minimum wage significantly reduces the gender wage gap, with the benefits most pronounced for low and middle-income workers.<sup>32</sup>
- 7.10. A study into the effects of the 2015 establishment of a national minimum wage in Germany determined that around 60 per cent of the decrease in gender wage gaps can be traced back to the minimum wage for the West of Germany and as much as 95 per cent for the East. At the 10th per-centile wage gaps decrease by 2.46 percentage points in the West and by 6.34 percentage points in the East of Germany.<sup>33</sup>
- 7.11. An examination of the minimum wage in Vietnam confirmed that minimum wages reduce gender wage differentials. It noted that there was no evidence that the minimum wage leads to adverse employment effectors or reductions in working hours, and instead the evidence indicated a transition from informal to formal employment.<sup>34</sup>
- 7.12. UnionsWA submits that a substantial real wage increase to the state minimum wage and award wages is necessary to improve wage outcomes for low paid women and as an important contribution to narrowing the aggregate gender pay gap.

## **8. Who is likely to be impacted by the state wage case?**

- 8.1. To determine which workers are in the state industrial relations system, UnionsWA is utilising the analysis of contained in the Interim Report - Ministerial Review of the State Industrial Relations System. The Interim Report describes the numbers of employees who are covered by the State system as potentially between 21.7 per cent and 36.2 per cent of the employees in the State.<sup>35</sup>

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<sup>30</sup> Dominique Anxo, *The EU Directive on Adequate Minimum Wages: Preliminary Assessment of Potential Impacts*, Swedish Institute for European Policy Studies (Paper, 2024).

<sup>31</sup> Klaus Grünberger et al, *Social and Fiscal Impacts of Statutory Minimum Wages in EU Countries: A microsimulation analysis with EUROMOD*, JRC Working Papers on Taxation and Structural Reforms No 06/2021 (Working Paper, 2021).

<sup>32</sup> Jiwei Chen and Zhigang Xu, ‘Can minimum wage increases narrow the gender wage gap? Evidence from China’ (2024) *Applied Economics*.

<sup>33</sup> Ramona Schmid, ‘Mind the gap: effects of the national minimum wage on the gender wage gap of full-time workers in Germany’ (2025) *Journal of Economic Inequality*.

<sup>34</sup> Hang Anh Nguyen, Martin O’Brien and Alfredo Paloyo, *Minimum Wage Policy and the Gender Wage Gap*, University of Wollongong (Working Paper, 2025).

<sup>35</sup> WA Government, *Ministerial Review of the State Industrial Relations System* (Interim Report, 20 April 2018).

- 8.2. The WA Government states in its submission to the Annual Wage Review, that ‘The Department of Energy, Mines, Industry Regulation and Safety estimates that approximately 15 to 20 per cent of private sector employees in Western Australia are employed in the State industrial relations system’, though it notes the difficulties of obtaining accurate data on this.<sup>36</sup>
- 8.3. The Interim Report also includes data from the Wageline contact centre in the Private Sector Labour Relations Division (PSD) of the Department of Mines, Industry Regulation and Safety, which receives approximately 20,000 calls per annum. The internal analysis of Wageline data for 2016/17 indicated that, of the calls that pertained to the State system:
- a) 20 per cent related to award free employees;
  - b) 14 per cent concerned the Building Trades (Construction) Award;
  - c) 11 per cent concerned the Restaurant, Tearoom and Catering Workers’ Award;
  - d) 9 per cent concerned the Hairdressers Award; and
  - e) 8 per cent concerned the Shop and Warehouse (Wholesale and Retail Establishments) Award.

## **9. The need to ensure that the Western Australian award framework represents a system of fair wages and conditions of employment**

- 9.1. UnionsWA is advocating that the Commission increase award wages and the statutory minimum wage by a percentage value (**4.5 per cent**). Such an increase would ensure relativities of the award classifications are maintained, consistent with the need to ensure that the Western Australian award framework represents a system of fair wages and conditions of employment.
- 9.2. The decisions of the WA Commission in recent years have all included percentage increases. A decision favouring the UnionsWA claim would preserve these results and ensures that the order would avoid any direct distortion of relativities across classification structures. This is critical for maintaining the relevance of the award framework at higher classification levels.

## **10. Trainee Rates**

- 10.1. Clause 8(b)(i) of the State Wage Order sets out in relation to the adjustment of trainee rates that Industry/Skill Level A, B and C top rates are increased by 80 per cent of the arbitrated safety net adjustment. Each result is then rounded to the nearest dollar.
- 10.2. In practice, however, this only occurs when the State Wage Order provides for a flat dollar increase. In the cases where a percentage increase is awarded, those rates are

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<sup>36</sup> WA Government Fair Work Submission (n 20).

adjusted by that percentage increase.

10.3. UnionsWA has conferred with the other s 50 parties and considers that it would be appropriate that the State Wage Order reflect what occurs in practice. UnionsWA supports the redrafting of cl 8(b) in the following terms:

(b) Trainee rates be adjusted as follows:

(i) (aa) If the arbitrated safety net adjustment ordered is a flat dollar increase, Industry/Skill Level A, B and C top rates are increased by 80% of the arbitrated safety net adjustment. Each result is then rounded to the nearest dollar.

(bb) If the arbitrated safety net adjustment ordered is a percentage increase, Industry/Skill Level A, B and C top rates are increased by that percentage arbitrated safety net adjustment. Each result is then rounded to the nearest dollar.

(ii) All other Industry/Skill Level A, B and C rates are increased by a percentage of the unrounded result of the first step. Each result is then rounded to the nearest dollar.

(iii) However, if an existing rate in Industry/Skill Level B or C is the same as an existing rate in Industry/Skill Level A or B, the rates are adjusted in line with whichever is the highest rate applicable, Industry/Skill Level A, B or C, in order to maintain consistency.

## 11. Conclusion

11.1. UnionsWA contends that the Commission should make a substantial real wage increase for award-reliant workers. This is essential in order to help address the real wage losses that these workers have experienced and provide a significant boost towards low paid workers being able to meet their needs. Therefore, UnionsWA's claim is for an increase of **\$41.34 per week** at the C14/C13 level and commensurate increases of **4.5 per cent** for subsequent classifications.

11.2. The following is a summary of our positions under the statutory considerations in section 50A (3) of the *Industrial Relations Act*.

(3) *In making an order under this section, the Commission shall take into consideration —*

(a) *the need to —*

(i) *ensure that Western Australians have a system of fair wages and conditions of employment; and*

The increase to minimum and award wage should apply from the end of June 2025 onwards for all workers, with no delays for selected industries. The full increase within the Act should be applied to apprentices and juniors.

(ii) *meet the needs of the low paid; and*

High, sustained price increases are eroding the purchasing power of their wages. The increase in CPI inflation for unavoidable necessities, such as housing, should also be noted when

considering the cost of living and the needs of the low paid in WA, as such increases have a significant impact for low wage workers.

- (iii) provide fair wage standards in the context of living standards generally prevailing in the community; and*

Binding, institutional increases to wages, such as those brought by the minimum wage, are needed to ensure workers, particular low wage and award reliant ones, are benefiting from the strong performance of economies at both the state and national level. This year's State Wage determination is the appropriate opportunity to make substantial progress in repairing the real value of minimum and award wages.

- (iv) contribute to improved living standards for employees; and*

Workers are being paid less than the full value of their output given the ongoing strength of the WA economy. Historically large rental increases being experienced by households in Perth has the effect of 'crowding out' expenditure on other consumption categories as there is less income remaining after covering those costs. In order to improve their living standards, it is necessary that these workers are awarded pay increases that compensate for the rising costs of living and restore real wage growth for award wages.

- (v) protect employees who may be unable to reach an industrial agreement; and*

An increase in the state minimum wage in WA is critical to assist those workers who are less likely or unable to negotiate liveable increases for themselves. An increase is also of great importance for lower income households where income is principally derived from wages.

- (vi) encourage ongoing skills development; and*

For apprentices there is an opportunity cost involved in the time spent as an apprentice. Unless regular and generous increases in apprenticeship wages flow on from decisions such as those from the minimum wage, apprenticeships become increasingly unattractive. Apprentice and trainee wages should be lifted to attract new entrants and retain existing participants.

- (vii) provide equal remuneration;*

As noted by the Fair Work Commission, women are significantly more likely to be paid at the award rate than men are at all levels of the award structure and workers paid at the award rate are much more likely to be low-paid than are other workers. A substantial real wage increase to the state minimum wage and award wages is necessary to improve wage outcomes for low paid women and as an important contribution to narrowing the aggregate gender pay gap.

*and*

- (b) the state of the economy of Western Australia and the likely effect of its decision on that economy and, in particular, on the level of employment, inflation and productivity in Western Australia;*
- (c) to the extent that it is relevant, the state of the national economy;*

- (d) *to the extent that it is relevant, the capacity of employers as a whole to bear the costs of increased wages, salaries, allowances and other remuneration;*

Growth forecasts for the both the WA and national economy are similarly positive, making both economies well placed to increase minimum and award wages in such a way that maintains and materially improves the living standards of low waged workers. Low wage growth in WA, and Australia, derives from the power of employers to refuse to increase wages.

- (e) *for the purposes of subsection (1)(b) and (c), the need to ensure that the Western Australian award framework represents a system of fair wages and conditions of employment;*

An increase of **4.5 per cent** as a percentage increase, balances the range of factors that the Commission must consider. Such an increase would ensure relativities of the award classifications are maintained, consistent with the need to ensure that the Western Australian award framework represents a system of fair wages and conditions of employment.

- (f) *relevant decisions of other industrial courts and tribunals; and*

- (g) *any other matters the Commission considers relevant.*

UnionsWA contends that the WA and Australian economies are performing strongly and are well placed to make increases to state minimum and award wages that will compensate for the rising costs of living and materially improve people's circumstances.