

QUEENSLAND INDUSTRIAL RELATIONS COMMISSION
Industrial Relations Act 2016

Together Queensland, Industrial Union of Employees

Applicant – B/2025/49

Queensland Council of Unions

Applicant – B/2025/50

V

State of Queensland

Respondent


INDUSTRIAL REGISTRAR

25 JUL 2025


QUEENSLAND


STATE OF QUEENSLAND OUTLINE OF SUBMISSIONS

Applicants' position

1. On 4 June 2025, the Queensland Council of Unions (**QCU**) and Together Queensland, Industrial Union of Employees (**TQ**) lodged applications seeking a general ruling pursuant to s 458 of the *Industrial Relations Act 2016* (**IR Act**) for an increase of not less than 3.5% to the Queensland Minimum Wage (**QMW**), and a 3.5% increase to all Queensland award wages and work-related allowances, with an operative date of 1 September 2025 (**Applications**).
2. In effect, the Applications seek that the Commission adopt an outcome at least equal to the outcome of the Annual Wage Review 2025¹ (**AWR**) in the Queensland jurisdiction from 1 September 2025.

Respondent's position

3. The State of Queensland (**State**) supports:
 - (a) A fair and reasonable increase to the QMW;
 - (b) A fair and reasonable increase to all State award rates of pay and allowances which relate to work or conditions which have not changed in service increments; and
 - (c) an operative date of 1 September 2025.
4. The State's position supports adequate protections and competitive pay for workers by seeking increases that are fair and reasonable for the few workers in the State industrial relations jurisdiction who do not benefit from collective bargaining and are reliant on the State Wage Case (**SWC**) for wage increases. As the respondent in this matter, the State has adopted the position of seeking 'fair and reasonable' increases cognisant of the Full Bench's evaluative functions under the IR Act and is providing evidence to support that function.

¹ *Annual Wage Review [2025]* FWCFB 3500.

5. The State acknowledges that:
 - (a) The SWC may also benefit workers who receive wage increases and other benefits via collective bargaining. This includes workers in the State public sector for whom the State has provided wage increases through its public sector wages policy, which also contains protective mechanisms that respond to award increases and any inflationary pressures.
 - (b) This year, given the industrial legislation, instruments and factual landscape in Queensland, any increase provided to public sector workers covered by collective agreements as a result of the SWC is unavoidable in order to ensure that workers who do not benefit from collective bargaining or the State's public sector wages policy receive a fair and reasonable increase to their wages.
6. For the avoidance of doubt, the State does not seek the Full Bench to exercise its discretions under either section 459(2) or section 459A given the current industrial context.

Statutory Framework

7. Section 3 of the IR Act identifies the main purpose of the IR Act to be as follows:

3 Main purpose of Act

The main purpose of this Act is to provide for a framework for cooperative industrial relations that –

(a) is fair and balanced; and

(b) supports the delivery of high-quality services, economic prosperity and social justice for Queenslanders.

8. Section 4 of the IR Act sets out how this purpose is to be achieved, relevantly in the following terms:

4 How main purpose is primarily achieved

The main purpose of this Act is to be achieved primarily by -

(a) supporting a productive, competitive and inclusive economy, with strong economic growth, high employment, employment security, improved living standards and low inflation; and

...

(d) providing for a fair and equitable framework of employment standards, awards, determinations, orders and agreements; and

...

(f) providing for a guaranteed safety net of fair, relevant and enforceable minimum employment conditions through the Queensland Employment Standards; and

(g) ensuring wages and employment conditions provide fair standards in relation to living standards prevailing in the community; and

(h) promoting collective bargaining, including by -

(i) providing for good faith bargaining; and

(ii) establishing the primacy of collective agreements over individual agreements; and

...

(o) being responsive to emerging labour market trends and work patterns; and

(p) providing for effective, responsive and accessible mechanisms to support negotiations and resolve industrial disputes; and ...

9. Section 458(1) of the IR Act provides that the Commission may make general rulings about –
 - (a) an industrial matter for employees bound by an industrial instrument if multiple inquiries into the same matter are likely; or
 - (b) a Queensland minimum wage for all employees.
10. Section 458(2) of the IR Act requires that the Commission must make a general ruling about a QMW for all employees at least once each calendar year.
11. Section 459 of the IR Act outlines the requirements for making a general ruling, this includes at s 459(2) the ability for a general ruling to exclude from the operation of any of its provisions:
 - (a) a class of employers or employees; or
 - (b) employers or employees in a particular locality; or
 - (c) an industrial instrument or part of an industrial instrument.
12. As part of any General Ruling, the Commission must have regard to the matters in ss 141 and 142 of the IR Act. This includes:
 - (a) The requirement to establish and maintain minimum wages that are fair and just having regard to the matters outlined in s 142(2), namely:
 - (i) the prevailing employment conditions of employees covered by the modern award;
 - (ii) the matters listed in s 141(2)(a) to (d) and (f), namely:

- (1) relative living standards and the needs of low paid employees;
 - (2) the need to promote social inclusion through increased workforce participation;
 - (3) the need to promote flexible modern work practices and the efficient and productive performance of work;
 - (4) the need to ensure equal remuneration for work of equal or comparable value; and
 - (5) the efficiency and effectiveness of the economy, including productivity, inflation and the desirability of achieving a high level of employment; and
- (iii) providing a comprehensive range of fair minimum wages to young employees, employees engaged as apprentices and trainees and employees with a disability.
- (b) The requirement to ensure that a modern award provides for fair and just wages and employment conditions that are at least as favourable as the Queensland Employment Standards and generally reflect the prevailing employment conditions of employees covered, or to be covered by the award. In satisfying this requirement, the Commission must have regard to the matters listed s 141(2).

13. In addition to these requirements, ss 459(2) and 459A provide particular discretions for the Commission in particular circumstances.

State Wage Case

14. The SWC provides an annual increase to the QMW and to state award rates of pay (wages or salaries) and existing allowances which relate to work or conditions which have not changed in service increments.
15. The increase to state award rates of pay provided through the SWC:
- (a) directly impacts and is relevant for low-paid, award-reliant workers who do not participate in collective bargaining; and
 - (b) indirectly impacts a larger group of State public sector and local government sector employees who regularly participate in collective bargaining processes, by virtue of clauses contained in certified agreements, as well as the *Minister Assisting the Premier*

*Directive No. 12/12: State Wage Case*² (**Directive 12/12**) which applies to state public service officers.

16. As outlined by the Commission previously, the Commission requires two bodies of evidence in considering the SWC:
 - (a) firstly, a body of evidence that permits the Commission to undertake an evaluative function having regard to the matters in ss 141 and 142 of the IR Act and assess the qualities of the safety net by reference to the statutory criteria, to ensure the Commission establishes and maintains wages that are fair and just; and
 - (b) secondly, evidence identifying relevant differences between the national workforce and Queensland workers who are not national system employees.³

State Wage Case beneficiaries

17. Since the State's referral of its residual private sector industrial relations powers to the Commonwealth in 2010,⁴ the majority of employees in Queensland within the private sector are covered by the *Fair Work Act 2009*.
18. This has meant that the State's industrial relations jurisdiction is limited to covering predominately employees within the Queensland Government sector, local government sector and small statutory bodies.
19. Employees directly impacted by the SWC's award rate increases are award-reliant employees who are covered by a state award but not by a certified agreement. These employees work in local government, the Queensland public sector and in some statutory bodies. The number of directly impacted employees is extremely small. It is estimated award-reliant employees in Queensland's industrial relations jurisdiction represent around 1.5% to 2% of all employees subject to Queensland's jurisdiction.⁵
20. Employees indirectly impacted by the SWC's award rate increases are covered by certified agreements where, pursuant to the certified agreement or administrative mechanisms, pay rates may be adjusted due to the SWC outcome, or where the relevant award rate exceeds the certified agreement rate and must therefore be applied. The number of indirectly impacted employees varies in any given year depending on the size of the increase awarded in the SWC and the pay rates in certified agreements.

² Affidavit of Shane Donovan filed 25 July 2025, Exhibit SD-10.

³ *Declaration of General Ruling (State Wage Case 2024)* [2024] QIRC 244 [30] – [31].

⁴ *Fair Work (Commonwealth Powers) and Other Provisions Act 2009*.

⁵ Affidavit of Shane Donovan filed 25 July 2025 at [33].

21. The Queensland Government employs approximately 322,600 workers in the State industrial relations jurisdiction. Of these, only an estimated 1,895 are entirely award reliant.⁶
22. The local government sector employs approximately 44,849 workers in the State industrial relations jurisdiction. Of that number, 41,144 are covered by certified agreements and 2,732 are award-reliant.⁷
23. There are also a range of small statutory bodies covered by the IR Act who are award reliant such as the Darling Downs-Moreton Rabbit Board which comprises 14 staff covered by the *General Employees (Queensland Government Departments) and Other Employees Award – State 2015*.⁸

Evidence

24. The statement of agreed facts filed by the parties on 10 July 2025 outlines those matters the parties can agree in relation to information relevant to the assessment of the prevailing conditions in the State and national economies and the assessment of the low paid.
25. The affidavit evidence filed by the State further:
 - (a) analyses the information in the statement of agreed facts;
 - (b) identifies economic and social conditions which may be peculiar to Queensland and relevant to the Commission’s determination of the SWC;
 - (c) addresses other matters relevant to the Commission’s evaluative function as outlined in ss 141 and 142 of the IR Act; and
 - (d) identifies relevant differences between the national workforce and Queensland workers who are not national system employees.

Requisite considerations in the provision of fair and just wages

26. The State’s position will ensure the wages of workers that are set through awards and the QMW remain fair and just.

Prevailing employment conditions of employees covered or to be covered by the award

27. The State submits that in determining a ‘fair and reasonable increase’ the Commission should have regard to the industrial landscape and prevailing employment conditions of employees in

⁶ Affidavit of Shane Donovan filed 25 July 2025 at [35].

⁷ Affidavit of Shane Donovan filed 25 July 2025 at [35].

⁸ Affidavit of Shane Donovan filed 25 July 2025 at [36].

Queensland, including any differences between these conditions for workers in this jurisdiction and workers in the national jurisdiction.⁹

28. The State submits that the different legislative frameworks of each jurisdiction, coupled with the practical impacts of the high rates of certified agreement coverage and regular process of collective bargaining in the Queensland jurisdiction, inherently render the prevailing employment conditions in the Queensland jurisdiction distinct from those applying to the national workforce.

Legislative framework

29. In contrast to the national system, the legislative framework in the Queensland industrial relations jurisdiction:
- (a) allows for an employee to be covered by both an award and a certified agreement;¹⁰
 - (b) allows for the incorporation of certified agreement rates of pay into awards; and
 - (c) provides no limitations on the amount an employee covered by an award may earn.¹¹
30. As outlined in previous SWC decisions, as a result of particular clauses contained within certified agreements,¹² as well as Directive 12/12, employees in the State industrial relations jurisdiction receive the award rate of pay where it exceeds the certified agreement rate of pay. These clauses and Directive 12/12 apply to 31 certified agreements in the Queensland public sector.¹³ If the SWC outcome is 3.5% it will result in the award rate of pay being payable to workers covered by 29 of the 36 certified agreements in the Queensland public sector, effective 1 September 2025, based on the current status of collective bargaining negotiations in the sector.¹⁴ The Commission has previously observed that the continued existence of such mechanisms creates an absence of compelling grounds to exercise the discretion under s 459(2) or 459A.¹⁵ It has also previously identified that there is a level of uncertainty associated with the application of Directive 12/12 in terms of its interaction with the setting of wages and conditions through bargaining.¹⁶ A similar level of uncertainty may apply by virtue of analogous clauses in certified agreements. In seeking a ‘fair and reasonable increase’ the State acknowledges the potential impacts on employees covered by these certified agreement clauses

⁹ *Declaration of General Ruling (State Wage Case 2024)* [2024] QIRC 244 [30] – [31].

¹⁰ Compare with *Fair Work Act 2009* (Cth) s 57.

¹¹ Compare with *Fair Work Act 2009* (Cth) s 47(2).

¹² For example clause 2.11 of the *State Government Entities Certified Agreement 2023*.

¹³ Affidavit of Shane Donovan filed 25 July 2025, Exhibit SD-9.

¹⁴ Affidavit of Shane Donovan filed 25 July 2025, Exhibit SD-11.

¹⁵ *Declaration of General Ruling (State Wage Case 2023) (No. 3)* [2024] QIRC 111, [146]-[153].

¹⁶ *Together Queensland, Industrial Union of Employees v State of Queensland (Queensland Corrective Services)* [2020] QIRC 073, [73].

and/or Directive 12/12. However, such an outcome is unavoidable in the present industrial context to ensure that workers who do not benefit from collective bargaining receive a fair and reasonable wage increase and do not get left behind.

31. Further, the impact of the SWC extends beyond that of the AWR because the Queensland legislative framework does not limit award coverage to employees earning less than the high-income earning threshold. For example, in the Queensland public sector there are 7,922 employees covered by an award in receipt of a base salary that is in excess of \$183,1000 per annum.¹⁷

Certified agreement coverage

32. In the national system there are 121 modern industry and occupational awards, 20.7 % of all workers are paid at the applicable award minimum pay rates¹⁸ and only 34% of workers have their pay set through an enterprise agreement.¹⁹ By contrast, in the Queensland industrial relations jurisdiction, the number of employees who are award reliant is extremely small (estimated to be between 1.5% and 2%) and the majority of workers receive the benefits of regular collective bargaining (an estimated 98%).²⁰
33. Further, while employees in the national system may receive the award rate where it exceeds the certified agreement rate,²¹ a key distinction is that, unlike the national system, provisions in the IR Act have provided for the incorporation of certified agreement rates of pay into awards.²² Such provisions in Queensland have been utilised for a range of Queensland public sector awards, and have led to circumstances where award pay rates frequently exceed certified agreement pay rates during periods where SWC outcomes are higher than the bargained annual wage increases. Federal modern awards cannot be varied in the same way as Queensland modern awards. Consequently, this issue does not arise in the national system and, by extension, national system workers who are covered by enterprise agreements do not indirectly receive the benefit of the AWR.

Regular collective bargaining

34. The regular process of reviewing and negotiating terms and conditions of employment through certified agreements has an extensive history in Queensland and provides workers and their representatives in the Queensland industrial relations jurisdiction with regular opportunities to

¹⁷ Affidavit of Shane Donovan filed 25 July 2025 at [28].

¹⁸ *Annual Wage Review* [2025] FWCFB 3500 [16].

¹⁹ Affidavit of Shane Donovan filed, Exhibit SD-1.

²⁰ Affidavit of Shane Donovan filed 25 July 2025 at [34].

²¹ *Fair Work Act 2009* (Cth) s 206(2).

²² *Declaration of General Ruling (State Wage Case 2017)* [2017] QIRC 081 at [40].

review and consider their rates of pay and other terms and conditions employment, and seek the assistance of the Commission if required. The certified agreements currently operating in the Queensland State public sector provide for wage increases of 11 % across three years as well as a mechanism to respond to inflation if it exceeds the wage increase in a particular year and a mechanism to respond to the impacts of the SWC.²³ The replacement agreements currently sought to be negotiated in the Queensland public sector provide for:

- (a) For year 1, a 3% guaranteed wage increase payable on the higher of the award or agreement rate at the nominal expiry date of the current agreement and an additional CPI Uplift Adjustment (CUA) of up to a further 0.5% where the through the year March quarter Brisbane Cpi exceeds the 3% guaranteed increase.
- (b) For years 2 and 3, a 2.5% guaranteed wage increase each year and an additional CUA available in each year providing additional increase of up to 1% where the March quarter Brisbane CPI exceeds the 2.5% guaranteed wage increase.²⁴

35. By contrast, the process of enterprise bargaining occurs less regularly in the national system²⁵ and the proportion of workers covered by an agreement when in the national system has declined over the period 2014 to 2023 from 41.1 percent to 34.0 percent.²⁶

Relative living standards and the needs of low paid employees

36. The State's position will maintain relative living standards and the needs of low paid employees.
37. The national and Queensland industrial relations system both require consideration of relative living standards and the needs of the low paid in determining an increase to award wages and the relevant minimum wage.
38. The State submits that, consistent with previous SWC decisions and the AWR, the low paid threshold can be treated as encompassing full time equivalent employees whose earnings are below two thirds of median adult earnings of all full time employees – equivalent to \$1139.65 per week or \$1131.33 per week.²⁷
39. Very few adult rates of pay in Queensland awards are less than these threshold amounts. The State estimates that there are currently approximately 2,718 employees in the Queensland

²³ Affidavit of Shane Donovan filed 25 July 2025 at [36].

²⁴ Affidavit of Shane Donovan filed 25 July 2025, Exhibit SD-8.

²⁵ Affidavit of Shane Donovan filed 25 July 2025 at [25].

²⁶ Affidavit of Shane Donovan filed 25 July 2025, Exhibit SD-1.

²⁷ *Annual Wage Review* [2025] FWCFB 3500 [91].

public sector (less than 1%) who are paid at or below this threshold.²⁸ Notably, there are also approximately 7,922 employees covered by State awards whose base wages exceed the high income earning threshold of \$183,100.²⁹ In contrast, the AWR identified that 35.6 % of all modern award reliant employees, and 11.3% of all employees, in the national system were low paid as at May 2023.³⁰ It should also be noted that workers in the national jurisdiction cannot be covered by an award where they have a guarantee of annual earnings in excess of \$183,100 in contrast to Queensland.³¹

40. In determining the AWR, the Fair Work Commission stated the principal consideration was the impact of inflation on wage growth for national system workers at the C10 level (and equivalent) and workers on the National Minimum Wage.³² At that time, the C10 rate of pay in the national system was \$1032.30 per week. Following the AWR increase of 3.5% on 1 July 2025, it is now \$1068.40. This rate is higher than the equivalent C10 rate under the *Building Engineering and Maintenance Services Award – State 2015* which is currently \$1061 per week. However, if the Applicants’ position is adopted in the SWC, this rate would increase to \$1098.14 per week from 1 September 2025, that is \$37.14 more than the equivalent national system C10 rate and \$33.19 more than the low paid benchmarks considered by the AWR.³³ Notably, the C10 equivalent rates provided for in Queensland public sector collective agreements are currently \$1,403.3 per week,³⁴ and \$1,343.70 per week,³⁵ which is also significantly higher than the low paid threshold considered by the AWR.
41. Additionally, workers in Queensland will benefit from the range of cost of living measures announced in the 2024-25 State Budget to support Queensland Households. Such measures outlined in the affidavit of Mr Molloy include but are not limited to: permanently embedding 50 cent public transport fares; the \$100 back to school boost for every primary school student; restoring indexation to the Electricity Rebate Scheme for vulnerable households; and abolishing the patients’ tax which will lower the cost of seeing a General Practitioner.³⁶

²⁸ Affidavit of Shane Donovan filed 25 July 2025 at [31].

²⁹ *Fair Work Regulations 2009* (Cth) r 2.13.

³⁰ *Annual Wage Review* [2025] FWCFB 3500 [96].

³¹ Above n (29).

³² *Annual Wage Review* [2025] FWCFB 3500 [6].

³³ *Annual Wage Review* [2025] FWCFB 3500 [91].

³⁴ *Queensland Health Building, Engineering & Maintenance services Certified Agreement (No. 8) 2022*.

³⁵ *Transport and Main Roads Operational Employees’ Certified Agreement 2022* and *QBuild Field Staff Certified Agreement 2022*.

³⁶ Affidavit of Dennis Patrick Molloy filed 25 July 2025 at [5.34]-[5.42].

The need to promote social inclusion through increased workforce participation

42. The State's position does not conflict with the Commission's obligation to promote social inclusion through increased workforce participation of workers who do not currently bargain in the current industrial context. Consistent with the AWR findings, this factor is neutral to the Commission's consideration in the SWC.³⁷

The need to promote flexible modern work practices and the efficient and productive performance of work

43. The State's position does not conflict with the Commission's obligation to ensure that modern awards promote flexible modern work practices and the efficient and productive performance of work. Consistent with the AWR findings, the Commission should consider this factor is not relevant to the SWC because it does not relate to the QMW or the minimum rates of pay in awards.³⁸

The need to ensure equal remuneration for work of equal value

44. A fair and reasonable increase for award reliant workers and workers receiving the QMW will ensure equal remuneration for work of equal value.
45. The Queensland industrial relations jurisdiction, and this Commission, have a proud and nation leading history of ensuring equal remuneration for work of equal value,³⁹ and the principles for equal remuneration established in Queensland have been referred to and supported by the Fair Work Commission.⁴⁰
46. The gender pay gap for Queensland's largest employer, the Queensland State Government, is lower than the national gender pay gap, the Commonwealth public service gender pay gap and the Victorian public sector and public service gender pay gaps. Specifically:
- (a) The Queensland Public Sector Gender Pay Equity dashboard for 2024 identifies an average gender pay gap based on earnings of 5.94%.⁴¹
 - (b) The Workplace Gender Equality Agency gender pay gap dashboard for 2024 identifies a national average gender pay gap based on earnings of 21.8%.⁴²

³⁷ *Annual Wage Review* [2025] FWCFB 3500 [86]-[90].

³⁸ *Annual Wage Review* [2025] FWCFB 3500 [129]-[130].

³⁹ *Equal Remuneration Principle* (2002) 114 IR 305; *LHMU v The Australian Dental Association (Queensland Branch) Union of Employers* [2005] QIRComm 139, 180 QGIG 187.

⁴⁰ *Gender Based Undervaluation Priority Awards Review* [2025] FWCFB 74 at [256].

⁴¹ Affidavit of Shane Victor John Donovan filed 25 July 2025, Exhibit SD-7.

⁴² Affidavit of Shane Victor John Donovan filed 25 July 2025, Exhibit SD-2.

- (c) The Workplace Gender Equality Agency gender pay gap dashboard for 2024 identifies that for the Commonwealth public service the average gender pay gap based on earnings is 6.4%.⁴³
 - (d) The Victorian Public Sector Commission's State of the Sector Report 2024 identifies that the Victorian public sector has an average gender pay gap of 18.1% and the Victorian public service has an average gender pay gap of 6.7%.⁴⁴
47. In the AWR, the Fair Work Commission noted that because modern awards only apply to about one fifth of the employee workforce, and the wages of the modern award-reliant workforce constitute only about one tenth of the national wage bill, it is not possible to eliminate the aggregate gender pay gap by means of adjusting modern award wage rates alone.
48. The same applies in the Queensland industrial relations jurisdiction where the number of award-reliant employees is extremely small. Further, given the significant number of employees who receive the benefit of collective bargaining ensuring equal remuneration for work of equal value is able to be undertaken via other means than the SWC for the majority of employees.

The need to provide penalty rates for relevant employees

49. The State's position does not conflict with the legislative obligation of the Commission to ensure that modern awards provide penalty rates for employees who:
- (a) work overtime; or
 - (b) work unsocial, irregular or unpredictable hours; or
 - (c) work on weekends or public holidays; or
 - (d) perform shift work.
50. The State notes that these matters have frequently been the subject of claims through the process of collective bargaining resulting in enhanced entitlements payable through certified agreements. Consistent with the AWR findings, the Commission should consider this factor is not relevant to the SWC because it does not relate to the QMW or the minimum rates of pay in awards.⁴⁵

⁴³ Affidavit of Shane Victor John Donovan filed 25 July 2025, Exhibit SD-3.

⁴⁴ Affidavit of Shane Victor John Donovan filed 25 July 2025, Exhibit SD-5.

⁴⁵ *Annual Wage Review* [2025] FWCFB 3500 [129]-[130].

Efficiency and effectiveness of the economy

51. The State submits that in seeking a ‘fair and reasonable’ increase, the Commission should have regard the efficiency and effectiveness of the economy in Queensland and any differences between the Queensland economy and the national economy, including as assessed in the AWR.
52. The State has agreed matters relevant to the State and national economies in the Statement of Agreed Facts. The State also relies on the affidavit of Dennis Molloy in relation to the efficiency and effectiveness of the State and national economies and the differences between them. Specifically, Mr Molloy’s evidence is that the outlook for the Queensland and national economies, including the labour market, is broadly similar. Mr Molloy observes that although Queensland’s economic growth is forecast to be slightly stronger in the near-term (2024-25 and 2025-26), when viewed alongside stronger population growth, the outlook is largely consistent with the national economy in per capita terms.⁴⁶
53. While the economic outlook for the State and national economies is broadly similar, Mr Molloy observes some distinctions between the two economies, and updated data compared to the time of the AWR, which may be relevant to the Commission’s evaluation.
54. In the AWR, the principal consideration informing the decision to award increases of 3.5% was the impact of inflation on wage growth for national system workers at the C10 level (and equivalent) and workers on the National Minimum Wage.⁴⁷ The Fair Work Commission observed that the period of high inflation which commenced in 2021 and peaked in 2022 had passed given that inflation has sustainably returned to its target range of 2 to 3%.⁴⁸ Inflation has eased further since the AWR with March quarter ABS figures indicating annual national inflationary growth was 2.4%, and Brisbane inflationary growth was 2.7%.⁴⁹
55. The Fair Work Commission also noted that Australia’s “*continuing poor performance in labour productivity growth*” was a moderating factor on the quantum of increase awarded as part of the AWR, with this performance particularly poor in the non-market sector. The evidence of Mr Molloy is that Queensland’s market sector labour productivity performance and multifactor productivity growth trails almost all other states and territories.⁵⁰

⁴⁶ Affidavit of Dennis Patrick Molloy, filed 25 July 2025 at [7.9].

⁴⁷ *Annual Wage Review* [2025] FWCFCB 3500 [6].

⁴⁸ Ibid [6]-[7].

⁴⁹ Affidavit of Dennis Patrick Molloy, filed 25 July 2025 at [5.22]-[5.26].

⁵⁰ Affidavit of Dennis Patrick Molloy, filed 25 July 2025 at [5.27].

56. While inflation may be marginally higher in Queensland currently compared with the national rate, this is matched by Wage Price Indexation in Queensland which is 3.6%, compared with the national figure of 3.4%.⁵¹
57. While Gross State Product ('GSP') in Queensland has accelerated, one point of differentiation between the State and national economies is the natural disasters which impacted much of Queensland and have weighed on growth. The combined impact of consecutive disasters, along with the initial effects of global trade politics, is estimated to impact GSP growth by around ¾ percentage point of GSP.⁵²
58. Further, there is ongoing heightened global uncertainty with the imposition of tariffs by the United States as well as retaliatory tariffs by other trading partners, and further conflict in the Middle East.⁵³ The international economic outlook is uncertain and Queensland's major trading partner growth has been downgraded by the International Monetary Fund.⁵⁴

Response to the Applicants' submissions

59. The State does not accept the Applicants' submissions that there are no significant differences either economically or in terms of workforce characteristics between the State and national jurisdictions.
60. The Applicants have not filed any evidence in respect of economic differences or workforce characteristic differences between the State and national industrial relations jurisdictions. Rather, they submit such evidence is only required where one party to the proceeding seeks an outcome different to the AWR. This appears contrary to Commission's SWC decision in 2024 which reaffirmed the view that each year the Commission must be in receipt of evidence to discharge its statutory obligations in conducting the SWC, and that analysis in the form of submissions which summarise primary source evidence will not suffice.⁵⁵
61. The Applicants submit there are no significant differences between the State and national economies. In support of this submission, the QCU provides opinions regarding the information in the statement of agreed facts in its submissions,⁵⁶ and TQ relies on the evidence given by Professor Peetz in the 2023 SWC.⁵⁷ At this stage, TQ have not filed any evidence from Professor Peetz about these differences specific to the economic circumstances of 2025, or what

⁵¹ Affidavit of Dennis Patrick Molloy, filed 25 July 2025 at [5.18]-[5.20].

⁵² Affidavit of Dennis Patrick Molloy, filed 25 July 2025 at [5.10].

⁵³ Affidavit of Dennis Patrick Molloy, filed 25 July 2025 at [5.1]-[5.3].

⁵⁴ Affidavit of Dennis Patrick Molloy, filed 25 July 2025 at [5.4].

⁵⁵ *Declaration of General Ruling (State Wage Case 2024)* [2024] QIRC 244 [46].

⁵⁶ Submissions of the QCU, 11 July 2025 [18]-[48].

⁵⁷ Submissions of Together Queensland, Industrial Union of Employees, 11 July 2025

a significant difference would be in the present context. As identified by the Commission in 2024, such submissions should be approached with caution.⁵⁸ The State relies on the evidence of Mr Molloy with respect to the differences between the national and State economies, as discussed at paragraphs 50-57 above.

62. The Applicants submit there are no major differences between workers in the national system and workers in Queensland industrial relations jurisdiction.⁵⁹ The QCU contends the appropriate assessment of any relevant differences should be with State public servants in the national system (such as Victoria) or federal public servants in Queensland.⁶⁰ TQ contends the appropriate comparison for the purposes of considering any differences between workers in these jurisdictions is a comparison between federal public servants and Queensland public servants. The State submits these are inappropriate comparisons not supported by previous SWC decisions. Neither the federal public service or Victorian public service are the major employer in the national system, employing only 185,343 and 382,823 workers, respectively.⁶¹ In contrast, the Queensland public sector employs 322,600 workers which represents the majority of workers in the Queensland jurisdiction.⁶² Further, the Commission has indicated the relevant comparison is between workers in the national system and Queensland workers who are not part of the national system.⁶³ Relevant distinctions between these workforces are outlined in the affidavit of Shane Donovan, as discussed above.

Disposition

66. Effective 1 September 2025, there ought to be a fair and reasonable increase to the QMW, the wages and salaries prescribed by all state awards and existing allowances in all state awards which relate to work or conditions which have not changed in service increments.

⁵⁸ *Declaration of General Ruling (State Wage Case 2024)* [2024] QIRC 244 [80].

⁵⁹ Submissions of Together Queensland, Industrial Union of Employees, 11 July 2025 [32].

⁶⁰ Submissions of the QCU, 11 July 2025 [17].

⁶¹ Affidavit of Shane Victor John Donovan, filed 25 July 2025, exhibit SD-6.

⁶² Affidavit of Shane Victor John Donovan, filed 25 July 2025 at [33].

⁶³ *Declaration of General Ruling (State Wage Case 2023) (No. 3)* [2024] QIRC 111, at [153]; *Declaration of General Ruling (State Wage Case 2024)* [2024] QIRC 244, [31].