

QUEENSLAND INDUSTRIAL RELATIONS COMMISSION

CITATION: *Declaration of General Ruling (State Wage Case 2025)* [2025]
QIRC 229

PARTIES: **Queensland Council of Unions**

and

Together Queensland, Industrial Union of Employees
(Applicants)

v

State Of Queensland (Office of Industrial Relations)

and

Local Government Association of Queensland Ltd
(Respondents)

FILE NOS: B/2025/49; B/2025/50

PROCEEDING: Application for Declaration of General Ruling

DELIVERED ON: 1 September 2025

HEARING DATE: 19 August 2025

MEMBERS: Davis J, President, O'Connor VP, Hartigan DP

- ORDERS:
1. **The wages or salaries for full-time adult employees in all state awards shall be increased by 3.5%.**
 2. **Monetary allowances (other than expense related allowances) in all state awards that relate to work or to conditions which have not changed, and service increments, are to be increased by 3.5%.**
 3. **The minimum wage rate per week for all full-time employees in Queensland is \$948.00.**
 4. **The above increases operate on and from 1 September 2025.**

LEGISLATION: *Industrial Relations Act 2016* (Qld), ss 3, 4, 141, 142, 143, 145, 458, 459, 459A, 460

CASES: *Annual Wage Review 2023-24* [2024] FWCFB 3500
Annual Wage Review 2025 [2025] FWCFB 3500
Application for Declaration of General Ruling (State Wage Case 2014) [2014] QIRC 129
Declaration of General Ruling (State Wage Case 2020) [2020] QIRC 131
Declaration of General Ruling (State Wage Case 2022) [2022] QIRC 340
Declaration of General Ruling (State Wage Case 2023) [2023] QIRC 263
Declaration of General Ruling (State Wage Case 2023) (No 3) [2024] QIRC 111
Declaration of General Ruling (State Wage Case 2024) [2024] QIRC 244

APPEARANCES: Mr N. Tosh for the Queensland Council of Unions

Mr C. Massy, Counsel, directly instructed by Mr M. Thomas for Together Queensland, Industrial Union of Employees

Mr C. Murdoch KC, Counsel, instructed by Crown Law for the State of Queensland

Ms E. Ackland for the Local Government Association of Queensland

Reasons for Decision

State Wage Case 2025 – Introduction

- [1] The Queensland Council of Unions ('QCU')¹ and Together Queensland, Industrial Union of Employees ('Together')² have each applied to the Queensland Industrial Relations Commission ('the Commission') seeking the following:
- (a) a general ruling³ to amend all state awards to increase wages by 3.5%;
 - (b) a general ruling to amend all state awards to increase the existing allowances which relate to work or conditions, which have not changed by 3.5%;
 - (c) an increase to the Queensland Minimum Wage ('QMW') as it applies to all employees to \$948.00 per week or \$24.95 per hour; and
 - (d) a determination that the operative date for these amendments be 1 September 2025.
- [2] The applications were heard together. The State of Queensland ('the State') and the Local Government Association of Queensland ('LGAQ') are respondents to both applications.
- [3] The State's response to the applications sets out that it is supportive of the following:
- (a) a fair and reasonable increase to all State award rates of pay;
 - (b) a fair and reasonable increase to modern award allowances which relate to work or conditions which have not changed in service increments;
 - (c) a fair and reasonable increase in the QMW; and
 - (d) an operative date of 1 September 2025.⁴
- [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.

¹ Application of the Queensland Council of Unions filed 4 June 2025.

² Application of Together Queensland, Industrial Union of Employees filed 4 June 2025.

³ *Industrial Relations Act 2016* (Qld) s 458 ('IR Act').

⁴ State of Queensland, 'State of Queensland Outline of Submissions', Submission in State Wage Case 2025, B/2025/49 and B/2025/50, 25 July 2025 ('Submissions of State of Queensland filed 25 July 2025').

[5] Moreover, the State supports the position of seeking 'fair and reasonable' increases cognisant of the Full Bench's evaluative functions under the *Industrial Relations Act 2016* (Qld) ('IR Act').

[6] The State acknowledged 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; and
- (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.⁵

[7] The State does not seek the Full Bench to exercise its discretions under either s 459(2)⁶ or s 459A⁷ of the IR Act.

[8] The LGAQ set out its position as follows:

13. The LGAQ seeks a fair and reasonable wage adjustment, specifically:

- A fair and reasonable increase to the Queensland Minimum Wage of 3.5 per cent, but not greater than;
- An increase to award wage rates of 3.5 per cent;
- An increase of 3.5 per cent to existing and applicable allowances across the local government awards which relate to work or conditions that have not changed or that do not have mechanisms within the awards for varying the allowances; and
- The continuation of the existing custom and practice of the timing of the QIRC General Ruling being 1 September of the relevant year, which is relied upon by the local governments, supporting an operative date of 1 September 2025.⁸

⁵ Submissions of the State of Queensland filed 25 July 2025 (n 4) [5].

⁶ Excluding employees, or employers, or industrial instruments or parts of industrial instruments from the general ruling.

⁷ Excluding the application of the general ruling employees or a class of employees.

⁸ Local Government Association of Queensland, 'Submission of the Local Government Association of Queensland', Submission in State Wage Case 2025, B/2025/49 and B/2025/50, 1 August 2025, [13] ('Submissions of LGAQ filed 1 August 2025').

- [9] Employees likely to be directly affected by a decision in the SWC fall within two categories:
- (a) employees who are covered by an award, but who are not covered by a certified agreement (i.e. state award-reliant employees); and
 - (b) employees who are covered by a certified agreement and whose rate of pay prescribed in the agreement may fall below the relevant award rate of pay.
- [10] After considering the material before the Commission, we have determined to issue orders granting the applications and to issue a declaration of general ruling.
- [11] Relevantly, no party has sought that the Full Bench exercise its discretion to issue an order pursuant to s 459A of the IR Act.⁹ Further, there are no factual matters that have been put before this Full Bench which would enliven the exercise of the discretion to limit the application of the general ruling pursuant to s 459A of the IR Act.

The legislative framework

- [12] 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.

- [13] Section 4 sets out how the purpose of the IR Act is to be achieved in, relevantly, 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

⁹ *Declaration of General Ruling (State Wage Case 2023)* [2023] QIRC 263, [20].

...

- (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 ...

[14] Section 141 of the IR Act provides the general requirements for the Commission in exercising its powers under Chapter 3 as follows:

141 General requirements for commission exercising powers

- (1) In exercising its powers under this chapter, the commission must ensure a modern award –
 - (a) provides for fair and just wages and employment conditions that are at least as favourable as the Queensland Employment Standards; and
 - (b) generally, reflects the prevailing employment conditions of employees covered, or to be covered, by the award.
- (2) For subsection (1), the commission must have regard to the following –
 - (a) relative living standards and the needs of low-paid employees;
 - (b) the need to promote social inclusion through increased workforce participation;
 - (c) the need to promote flexible modern work practices and the efficient and productive performance of work;
 - (d) the need to ensure equal remuneration for work of equal or comparable value;
 - (e) the need to provide penalty rates for employees who –
 - (i) work overtime; or

- (ii) work unsocial, irregular or unpredictable hours; or
- (iii) work on weekends or public holidays; or
- (iv) perform shift work;
- (f) the efficiency and effectiveness of the economy, including productivity, inflation and the desirability of achieving a high level of employment.

[15] Section 142 identifies the general requirement about minimum wages as follows:

142 General requirement about minimum wages

- (1) To the extent the commission's powers under this chapter relate to setting, varying or revoking minimum wages in a modern award, the commission must establish and maintain minimum wages that are fair and just.
- (2) For subsection (1), the commission must have regard to the following—
 - (a) the prevailing employment conditions of employees covered by the modern award;
 - (b) the matters mentioned in section 141(2)(a) to (d) and (f);
 - (c) providing a comprehensive range of fair minimum wages to—
 - (i) young employees; and
 - (ii) employees engaged as apprentices and trainees; and
 - (iii) employees with a disability.

[16] Section 143 prescribes what is and is not to be included in the content of a modern award, relevantly, s 143(1)(i) states:

143 Content of modern awards

- (1) The commissioner must ensure a modern award—
 - ...
 - (i) provides fair standards for employees in the context of living standards generally prevailing in the community; and
 - ...

[17] Section 458 of the IR Act sets out the power of the Full Bench to make general rulings as follows:

458 Power to make general rulings

- (1) The full bench 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.
- (2) The full bench must ensure a general ruling about a Queensland minimum wage for all employees is made at least once each year.
- (3) Before conducting a hearing about the ruling, the full bench must –
 - (a) give reasonable notice, in the way it considers appropriate, of its intention to conduct the hearing; and
 - (b) give all interested persons an opportunity to be heard.

[18] Section 459 of the IR Act identifies the requirements for a general ruling in the following terms:

459 Requirements for general rulings

- (1) A ruling –
 - (a) must state a date (the *stated date*) on and from which it has effect; and
 - (b) has effect as a decision of the full bench on and from the stated date.
- (2) A ruling may 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.
- (3) As soon as practicable after making a ruling, the registrar must publish a notice of the ruling and the stated date on the QIRC website.
- (4) The notice, on and from the stated date, replaces a notice of a ruling on the same subject matter previously published.
- (5) The ruling continues in force until the end of the day immediately before the stated date for a subsequent ruling on the same subject matter.

[19] Section 460 of the IR Act provides as follows:

460 Relationship with industrial instruments

- (1) If a ruling takes effect while an industrial instrument, other than an industrial instrument or part of an industrial instrument excluded under section 459(2), is in force –

- (a) the industrial instrument is taken to be amended so it is consistent with the ruling on and from the stated date; and
 - (b) the amendment has effect as an industrial instrument on and from the stated date.
- (2) The registrar may amend an industrial instrument taken to be amended under subsection (1) as the registrar considers appropriate –
- (a) on an application made under the rules; or
 - (b) on the registrar's own initiative.
- (3) This section applies despite chapter 3.

The approach to be taken to the State Wage Case

[20] In the *Declaration of General Ruling (State Wage Case 2022)*,¹⁰ it was recognised that whilst the Full Bench will have regard to the Fair Work Commission's ('FWC') conclusions, in exercising its statutory function, it is required to bring an independent mind to the task of determining whether, in all the circumstances, the FWC's determination ought to be properly adopted. As the Full Bench observed:

- [55] There is no principle of law that the FWC's ruling must be accepted unless there are cogent reasons for departure. There is no principle of law that the correctness of the FWC's ruling must be accepted at all in a Queensland State Wage Case.
- [56] Australia's constitutional arrangements are such that the Commonwealth controls significant economic power. Income tax is controlled nationally. By the use of the corporation's power commercial activity is largely centrally controlled. The Work Choices case is an example. The result is that many economic factors have nationwide influence.
- [57] Therefore, evidence of the economic impact of factors upon the national industrial environment will generally be relevant to determination of the Queensland State Wage Case. The FWC considers these matters and consequently its determination will be relevant to the State Wage Case.
- [58] It is a mistake to assume that the FWC's determination can be a substitute for a proper forensic inquiry into the impact of economic factors upon the wages of workers in Queensland who are not national system employees.
- [59] If the forensic exercise is to commence with receipt into evidence of the FWC ruling, then it is necessary to receive evidence identifying relevant differences between the national workforce and Queensland workers who are not national scheme employees. It is also necessary to identify economic and perhaps social conditions which may be peculiar to Queensland and relevant to the Full Bench's determination of the State Wage Case. Once those things are identified, proper evidence (expert if necessary) should be led as to their impact upon the issues in the State Wage Case.¹¹

¹⁰ [2022] QIRC 340 (*SWC 2022*).

¹¹ Ibid [55]-[59].

[21] The Full Bench has adopted a clear position that in order to fulfill its statutory obligations under the IR Act it must embark upon a forensic process with respect to the presentation, nature and substance of the evidence in order to determine the State Wage Case.

[22] In *Declaration of General Ruling (State Wage Case 2023) (No 3)*,¹² the Commission set the parameters for the proper conduct of future state wage cases as follows:

[154] As discussed above, the Declaration of General Ruling (State Wage Case 2023), recognised that whilst the Full Bench will have regard to the FWC conclusions, in exercising its statutory function, the Commission is required to bring an independent mind to the task of determining whether, in all the circumstances, the FWC's determination ought to be properly adopted.

[155] It would be a mistake for the Full Bench to accept that the FWC's determination can be a substitute for a proper forensic inquiry into the impact of economic factors upon the wages of workers in Queensland who are not national system employees.

[156] In undertaking the forensic task associated with the 2023 SWC, it has become apparent to the Full Bench that there is no significant difference in the economic patterns for Queensland and nationally. Indeed, the evidence of Professor Peetz observes that:

... [I]t would take quite a large difference between a Queensland estimate and the national estimate on any particular matter for me to conclude that there was potentially something specific about Queensland that raised doubts about the relevance of the FWC's analysis of the economic situation to Queensland.

[157] The evidence before the Full Bench does not suggest that there is a basis for considering that the analysis undertaken by the FWC does not have application to Queensland. We accept that the FWC determination encompasses a consideration of the economic impact of a variety of factors upon the national industrial environment. The assessment of those factors as reflected in the FWC determination will generally be relevant to determination of the Queensland state wage case. It follows therefore, that the FWC will be a significant factor considered by the Full Bench in determining the state wage case.

[158] Whilst future state wage cases will not be attended by the same level of detail it will nevertheless be necessary for the Full Bench to undertake an evaluative function having regard to the matters in ss 141 and 142 of the IR Act and assessing the qualities of the safety net by reference to the statutory criteria to ensure that the Commission establishes and maintains wages that are fair and just. Equally, the Full Bench will need to be in receipt of evidence identifying relevant differences between the national workforce and Queensland workers who are not national system employees. It is also necessary to identify economic and perhaps social conditions which may be peculiar to Queensland and relevant to the Full Bench's determination of the state wage case. Once those things are identified, proper evidence (expert if necessary) should be led as to their impact upon the issues in the state wage case.¹³

¹² [2024] QIRC 111 ('SWC 2023').

¹³ Ibid [154]-[158] (emphasis added) (citations omitted).

- [23] The parties, consistently with the above approach, have structured their individual cases recognising the FWC determination as being a significant factor to be considered but also recognising the evaluative exercise that the Full Bench must undertake.

Statement of Agreed Facts

- [24] A Statement of Agreed Facts was jointly filed by the parties for the purpose of the hearing of the 2025 State Wage.¹⁴ The parties agreed that the Statement of Agreed Facts is relevant to the Full Bench's assessment of the prevailing economic conditions in the national economy as well as facts relevant to the assessment of the needs of low paid workers.
- [25] Subsequent to the filing of the Statement of Agreed Facts, the parties identified further information relevant to the Full Bench's assessment of the prevailing economic conditions in the national and the state economy.¹⁵
- [26] Matters relevant to the Full Bench's assessment of the prevailing economic conditions in the national economy and the state economy for the purposes of the SWC include, *inter alia*:
- (a) Economic growth;
 - (b) Inflation;
 - (c) The labour market;
 - (d) Wages growth;
 - (e) Productivity; and
 - (f) Business Conditions.
- [27] In its Annual Wage Review Decision 2025 ('AWR 2025'),¹⁶ the FWC assessed economic conditions relevant to the national economy.¹⁷ The Full Bench has previously held that this assessment is generally relevant to the determination of the SWC,¹⁸ although the parties do not contend it can be a substitute for a proper forensic inquiry into the impact of economic factors upon the wage of workers in Queensland who are not national system

¹⁴ Filed in the Industrial Registry on 10 July 2025.

¹⁵ Amended Statement of Agreed Facts filed 18 August 2025.

¹⁶ [2025] FWCFB 3500 ('AWR 2025 Decision').

¹⁷ Ibid [24]-[54].

¹⁸ SWC 2023 (n 12) [157]; *Declaration of General Ruling (State Wage Case 2024)* [2024] QIRC 244, [50] ('SWC 2024').

employees.¹⁹ The precise information outlined in the AWR 2025 that is of relevance to the Full Bench was detailed in the parties' submissions.

[28] Amongst other things, the information available at the time of the AWR 2025 decision as well as more recent data and commentary are relevant to the Full Bench's assessment of the matters set out in [26] in the context of the national economy, state economy or both.

[29] The Statement of Agreed Facts identified the following key economic indicators:

- (a) Queensland annual Average Weekly Ordinary Time Earnings ('AWOTE') growth of 5.9% exceeded the national figure of 4.8%;
- (b) Queensland's Wage Price Index ('WPI') grew by 3.6% slightly higher than the national figure of 3.4%;
- (c) Queensland's Consumer Price Index ('CPI') of 2.7% was marginally higher than the national CPI of 2.4%;
- (d) State Final Demand grew by 2.2% outpacing the national GDP of 1.2%;
- (e) Queensland's Gross State Product ('GSP') grew by 2.1%, while the national GDP grew by 1.2%;
- (f) Queensland's labour force participation rate was 67.6%, with the national rate of 67.1%; and
- (g) Underemployment in Queensland was 5.8% with the national rate of 6.0%.²⁰

[30] The post AWR figures in the Statement of Agreed Facts identified the following key economic indicators:

- (a) Queensland's State Final Demand was 2.0% in the March 2025 quarter with the national GDP figure of 1.3%;
- (b) Queensland's unemployment rates recorded at 4.2% against a national rate of 4.1%; and
- (c) Queensland's CPI for June 2025 was recorded as 2.5% with the national rate for June 2025 recorded at 2.1%.²¹

¹⁹ *SWC 2022* (n 10) [58].

²⁰ Amended Statement of Agreed Facts filed 18 August 2025, Table 1.

²¹ *Ibid* Table 2.

- [31] On 10 July 2025, an agreed bundle of documents was jointly filed by the parties. On 15 August 2025, an additional bundle of documents was filed. This material includes, *inter alia*, the source documents referred to in the agreed Statement of Facts, the affidavits and, where relevant, the submissions filed by the parties.

Australian Wage Review

- [32] What can be gleaned from the AWR 2025 decision is that the overall picture which emerges from the data and forecasts is mixed.
- [33] In reaching its decision, the review panel noted its guiding principal consideration as being:

...The principal consideration which has guided our decision is the fact that, since July 2021, the real value of modern award wages (at the benchmark C10 rate) has declined by 4.5 percentage points relative to inflation as measured by the Consumer Price Index (CPI). The loss in the real value of the NMW²² has been less than this, at 0.8 percentage points, as a result of a higher increase awarded to the NMW in the Annual Wage Review 2022–23 decision (AWR 2023 decision). This reduction in real modern award wages and the NMW has been the result of the spike in inflation which commenced in 2021 and peaked in late 2022. The continuation of this inflationary episode has meant that, over the last three annual wage review decisions, the Commission has repeatedly deferred taking any action to reverse this ongoing decline in real wages out of a concern that this might result in the further persistence of higher inflation. The result has been that living standards for employees dependent on modern award wages have been squeezed and the low paid have experienced greater difficulty in meeting their everyday needs.²³

- [34] The review panel noted the following as part of its decision to increase both the national minimum wage rate and the minimum modern award wage rate:

- the performance and competitiveness of the national economy;
- the need to achieve gender equality;
- promoting social inclusion through increased workforce participation; and
- relative living standards and the needs of the low paid.

- [35] The review panel also considered the following to be moderating factors:

- the upcoming increase in the Superannuation Guarantee contribution rate;
- the uncertainty caused by changing US trade policies; and

²² National Minimum Wage ('NMW').

²³ *AWR 2025 Decision* (n 16) [6] (citations omitted).

- some indications of weakness in the Accommodation and food services sector in which a considerable proportion of modern award-reliant workers are employed.

- [36] Since the Annual Wage Review Decision 2024 ('AWR 2024'),²⁴ the rate of inflation has moderated to the point where this has become a matter of significantly less concern. The 'headline' CPI rate has fallen within the Reserve Bank Australia's ('RBA') inflation target range of 2–3 per cent, aided by budget measures in place during 2024–25 including energy rebates and increases to Commonwealth Rent Assistance. The CPI is projected to rise slightly over 2025–26 because of the winding back of the Australian Government's energy rebates, which will expire at the end of 2025. It was noted that the RBA's assessment is that the slowdown in underlying inflation has been broadly-based and that inflation is expected to settle at 'a low and stable rate' around the middle of the RBA's target range.²⁵
- [37] Economic growth in the 12 months to the December quarter 2024 was weak, and lower than projected at the time of the AWR 2024 decision.
- [38] The labour market has remained strong, with solid employment growth and a level of unemployment which has barely changed since the time of the AWR 2024 decision and may be characterised as constituting 'full employment'. However, around 80 per cent of employment growth in 2024 was in the non-market sector (direct public sector employment plus private businesses providing public services), which grew by 8.2 per cent while growth in employment in the market sector was just 0.9 per cent.
- [39] The AWR 2025 decision notes that government spending has been supporting the labour market and that, absent that support, unemployment would be higher. The RBA May Statement characterises market sector employment growth over the last year as 'soft' but overall assesses the labour market as remaining relatively tight with indicators of spare capacity stabilising at somewhat elevated levels.²⁶ Wages growth has moderated broadly in line with the RBA's expectations.
- [40] The AWR 2025 decision observed that there is no identified causal relationship between the outcome of the AWR and the future productivity performance of the national economy.²⁷ Whilst it was recognised that a large minimum wage increase may result in improved productivity by incentivising employers to substitute capital for labour, it is doubtful that any increase of the order we have discussed would be sufficient to have that effect.²⁸

²⁴ *Annual Wage Review 2023-24* [2024] FWCFB 3500 ('AWR 2024 Decision').

²⁵ Reserve Bank of Australia, *In Brief: Statement on Monetary Policy* (May 2025) ('RBA May Statement').

²⁶ *AWR 2025 Decision* (n 16) [31].

²⁷ *Ibid* [42].

²⁸ *Ibid*.

Submissions of the Parties

- [41] The QCU submits that the Full Bench should follow the decision of the FWC and declare that the wages or salaries of full-time employees in all state awards are increased by 3.5% and that the monetary allowances (other than expenses related allowances) in all state awards are also increased by 3.5%.
- [42] Recognising that the Full Bench is required to ensure modern awards provide fair standards for employees in the context of living standards generally prevailing in the community, they submit that the Commission's decision ought to ensure employees are to be covered by fair and reasonable wages that allow them to participate in society and that those who do not benefit from bargaining are not left behind.²⁹
- [43] The QCU relies on the prevailing economic conditions in the national economy as set out in the Statement of Agreed Facts. Further, they rely on the relevant economic indicators as set out in their submissions. Based on those indicators, the QCU contends that the prevailing economic conditions demonstrate that there are no significant differences between the national economy and the state economy sufficient to justify the Commission departing from the FWC decision of a 3.5% increase.
- [44] The QCU submits that economic growth in Queensland has been stronger than the national economy; that inflation has been generally higher in Queensland noting that the Federal Government budget forecasts show a CPI of 2.7% nationally across the three forecasted years compared to 2.6% on average in Brisbane across the three forecasted years; the labour market in Queensland is slightly stronger than the national market; and unemployment nationally has not been dissimilar to Queensland.³⁰
- [45] In terms of wages and productivity, the QCU notes that wages growth in Queensland appears to be stronger than in the national economy but in respect of productivity the QCU recognises the AWR's concern that productivity in the national economy was a countervailing factor.
- [46] In reliance on the inflation data across the last four years, the QCU submits that the elevated inflation rate has impacted on the ability of low paid workers to meet their basic needs. In this regard, the QCU drew the Full Bench's attention to the following observation of the FWC:

[139] Sections 284(1)(c) and 134(1)(a) of the FW Act require us to have regard to relative living standards and the needs of the low paid. As we have earlier found, low-paid modern award-reliant employees living in low-income households have been the worst affected by the reduction in real wage rates over the past four years and this will have severely constrained

²⁹ Queensland Council of Unions, 'Submissions of the Queensland Council of Unions', Submission in State Wage Case 2025, B/2025/49 and B/2025/50, 11 July 2025 ('Submissions of the QCU filed 11 July 2025').

³⁰ Amended Statement of Agreed Facts filed 18 August 2025, Table 3.

their capacity to meet their needs. In relation to relative living standards of the low paid, we note that the WPI increased by 3.4 per cent over the 12 months to the March quarter 2025 and is projected to grow by 3.1 per cent (RBA) or 3¼ per cent (Budget) in 2025–26. Accordingly, unless modern award minimum wages and the NMW are increased by a comparable amount, we can expect that there will be a relative decline in living standards amongst the low paid compared to the workforce as a whole. The considerations in ss 284(1)(a) and 134(1)(a) therefore weigh strongly in favour of a real increase in the NMW and modern award wage rates.³¹

- [47] The State submits that there are factors distinguishing the Commonwealth and State industrial jurisdictions which should be considered by the Commission.
- [48] The State submits that the Commission, in undertaking its evaluative exercise, should have regard to the industrial landscape and prevailing economic conditions of employees in Queensland including any differences between conditions for workers in Queensland and those in the national jurisdiction. The State contends that the legislative framework in Queensland coupled with the practical impacts of the high rates of certified agreement coverage and regular collective bargaining in this jurisdiction raise a distinction between the employment conditions in Queensland and those in the national workforce. It is further argued that the Queensland legislative framework, does not limit award coverage to employees earning less than the high-income earning threshold. The example is given that in the Queensland public sector; there are 7,922 employees covered by an award in receipt of a base salary in excess of \$183,100 per annum.³²
- [49] Central to the submissions of the State is the fact that the AWR 2025 was heard and determined within the context of minimum and modern award rates for private sector workers within the national industrial relations jurisdiction. As noted elsewhere, employees within this jurisdiction are almost exclusively employed in state and local government sectors and the composition is significantly different from those in the national system.
- [50] Under the national system, 20.7% of all workers are paid at the applicable award minimum pay rates and 38% of workers have their pay set through an enterprise agreement. The State notes that this is contrasted with the Queensland jurisdiction where an estimated 98% of workers receive the benefits of regular collective bargaining.
- [51] Section 145 of the IR Act allows for the flow-on of provisions from certified agreements into a relevant state modern award which allows for wages and conditions in an award to be lifted to a level consistent with the prevailing standard achieved by collective bargaining within a specific cohort of employees, rather than any broader standard prevailing in the community. Federal modern awards cannot be varied in the same way as Queensland modern awards. In short, national system workers do not directly receive the benefit of the AWR.

³¹ *AWR 2025 Decision* (n 16) [139] (emphasis added).

³² Affidavit of Shane Donovan filed 25 July 2025, [28].

- [52] The State submits that in seeking a 'fair and reasonable' increase, the Commission should have regard to the efficiency and effectiveness of the Queensland economy. In this regard, the State relies on the affidavit evidence of Mr Dennis Molloy. In Mr Molloy's evidence he observed, amongst other things that the Queensland and national economies are broadly similar. He noted that the Queensland economy was slightly stronger in the near term with the outlook largely consistent with the national economy in per capita terms.³³
- [53] The State further submits that effective 1 September 2025, there should 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.
- [54] The State submitted that workers in Queensland also benefit from the range of cost-of-living measures announced in the 2024-25 State Budget to support Queensland households. In particular, measures 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.³⁴
- [55] Together submitted that there are no particular factors which would indicate that the Queensland economic and social circumstances are manifestly different from those experienced by equivalent workers in the Federal system.
- [56] Together agrees with and supports the submissions of the QCU.
- [57] In response to the submissions of the State, Together contends that the evidence filed by the State, namely the Affidavit of Mr Dennis Molloy, supports a conclusion that there is no basis for considering that the analysis undertaken by the FWC does not have application to Queensland. Together points to the evidence of Mr Molloy where he states that the Queensland economy "...is largely consistent with the national economy in per capita terms."³⁵
- [58] Together does not submit that there is a difference between the State and the Federal workforce. Indeed, Together concede the point. Together further submits that the economic analysis undertaken by the FWC of the national economy is applicable to the Queensland economy, and consequently, there is no cogent reason to depart from the FWC decision of a 3.5% increase.

³³ Affidavit of Dennis Patrick Molloy filed 25 July 2025, [7.9].

³⁴ Ibid [5.34]-[5.42].

³⁵ Ibid [7.9].

- [59] The suggestion contained in the State's submissions that the workforce covered by the AWR is a fair comparator with the whole of the workforce covered by the State Wage Case is, in Together's submission, unsustainable. Together contends that there are cohorts in the Federal system that are comparable to State Public Servants, for example, the Victorian and Federal Public Servants living in Queensland. Further it is argued, there are cohorts in the Federal system that are highly paid, i.e. pilots. The award increase determined by the AWR apply equally to those cohorts.
- [60] It is submitted that having regard to the fact that a substantial number of collective bargains involving the Queensland public sector set the rate of pay by reference to the rate contained in the award is a powerful reason in favour for adopting the AWR 2025 decision. Employees under collective agreements under the *Fair Work Act 2009* (Cth) are also in the situation that should the Award rates become higher than the Agreement rates, the Award rates would prevail.³⁶
- [61] Together argues that the reasoning of Professor Peetz in the State Wage Case 2023 hearing, that high rates of collective agreement coverage are a feature of the public sector in both federal and state jurisdictions remains valid.³⁷
- [62] The LGAQ recognises the benefits that the annual SWC Decision affords to councils, particularly and most relevantly the ability to continue to attract and retain a talented workforce. This is particularly relevant to First Nations councils and those councils with smaller-sized workforces that are award reliant and are dependent on the outcome of the SWC decision.³⁸
- [63] The LGAQ submits that local governments have traditionally relied upon the Commission to deliver an annual SWC General Ruling, which is consistent with the Federal Jurisdiction.
- [64] The FWC's AWR 2025 decision is a key reference point for forecasting the likely Commission decision. Many Local Governments (especially First Nations councils and smaller councils without certified agreements) rely on the SWC to determine annual wage increases for their employees. The LGAQ notes that planning for the financial budget 2025-2026 has been undertaken cognisant of the AWR 2025 decision.
- [65] The LGAQ submits that should the SWC General Ruling nominate an increase greater than the 3.5 per cent, those councils that are award reliant would be significantly impacted resulting in a moderate to high risk of being financially unsustainable.

³⁶ *Fair Work Act 2009* (Cth) s 206.

³⁷ Together Queensland, Industrial Union of Employees, 'Submissions – Together Queensland, Industrial Union of Employees', Submission in State Wage Case 2025, B/2025/49 and B/2025/50, 11 July 2025.

³⁸ Submissions of LGAQ filed 1 August 2025 (n 8).

[66] Accordingly, the LGAQ seeks a fair and reasonable wage adjustment, specifically:

- A fair and reasonable increase to the Queensland Minimum Wage of 3.5 per cent, but not greater than;
- An increase to award wage rates of 3.5 per cent;
- An increase of 3.5 per cent to existing and applicable allowances across the local government awards which relate to work or conditions that have not changed or that do not have mechanisms within the awards for varying the allowances; and
- The continuation of the existing custom and practice of the timing of the QIRC General Ruling being 1 September of the relevant year, which is relied upon by the local governments, supporting an operative date of 1 September 2025.

State Wage Case 2025

[67] It is well accepted that the Commission must conduct an evaluative function pursuant to ss 141 and 142 of the IR Act and assess the qualities of the safety net by reference to the statutory criteria.

[68] In undertaking that task, the Full Bench must identify and determine any relevant differences between the national and state economy that is relevant to the determination of the SWC. To undertake this assessment regard must be had to the prevailing economic conditions in the national economy and the state economy.

Prevailing economic conditions

National economy

FWC Annual Wage Review 2025-26

[69] On 3 June 2025, the FWC handed down its AWR 2025 decision providing increases to the NMW, award wages and allowances. In conducting the AWR, the FWC assesses the economic conditions relevant to the national economy. The assessment of those factors will generally be relevant to the determination of the Queensland SWC.³⁹

[70] The AWR determined to increase the NMW and all modern award minimum wage rates and allowances by 3.5%.⁴⁰ This resulted in an increase in the NMW to \$948 per week, or \$24.95 per hour.

³⁹ *SWC 2023* (n 12) [157].

⁴⁰ *AWR 2025 Decision* (n 16).

[71] After reviewing the relevant economic conditions of the Australian economy, the FWC provided the following general conclusions with respect to the economy:

- [28] The overall picture which emerges from the data and forecasts above is mixed. In the previous three annual wage review decisions, there was a necessary focus on the elevated rate of inflation and the RBA's tightening of monetary policy in response. However, since the AWR 2024 decision, the rate of inflation has moderated to the point where this has become a matter of significantly less concern. The 'headline' CPI rate has fallen within the RBA's inflation target range of 2–3 per cent, aided by Budget measures in place during 2024–25 including energy rebates and increases to Commonwealth Rent Assistance (CRA) (which we discuss further below). The CPI is projected to rise slightly over 2025–26 because of the winding back of the Australian Government's energy rebates, which will expire at the end of 2025. The RBA's preferred measure of underlying inflation, the trimmed mean, has also fallen within the RBA's target range and is projected to stay there. The RBA's assessment is that the slowdown in underlying inflation has been broadly-based and that inflation is expected to settle at 'a low and stable rate' around the middle of the RBA's target range.⁴¹
- [29] The trajectory of tightening monetary policy, with 13 consecutive increases to the official cash rate from May 2022 through to November 2023, has now been reversed with the RBA cutting interest rates in February and May 2025. This is partially reflected in the employee LCI,⁴² which takes into account mortgage interest costs. For the 12 months to the March quarter 2025, this has fallen to 3.4 per cent, reflecting in part the February 2025 reduction in interest rates. This is to be compared to 6.5 per cent for the preceding year and 9.6 per cent for the year before that. It is to be expected that the LCI rate will fall further in the coming year as a result of the May 2025 interest rate reduction and possible future interest rate reductions.
- [30] Substantially as a result of the past three years of tightened monetary policy, economic growth in the 12 months to the December quarter 2024 has been weak, and somewhat lower than projected at the time of the AWR 2024 decision. The economy can at least be said to have achieved a 'soft landing' in that the moderation to inflation achieved by increased interest rates has not resulted in a recession in the officially-defined sense (two consecutive quarters of negative GDP growth), although there has been an extended 'per capita recession' with GDP per capita falling for seven successive quarters from March 2023 to September 2024. The RBA May Statement's assessment of the current position is that a modest recovery in domestic demand is underway, with public demand accounting for about half of the growth rate. Household consumption, supported by an increase in real incomes, was somewhat stronger in the December quarter 2024, but this may have moderated in the March quarter 2025.⁴³
- [31] Somewhat paradoxically, the labour market has remained strong, with solid employment growth and a level of unemployment which has barely changed since the time of the AWR 2024 decision and may be characterised as constituting 'full employment'. However, the aggregate figures mask some indications of weakness in the market sector. Around 80 per cent of employment growth in 2024 was in the non-market sector (direct public sector employment plus private businesses providing public services), which grew by 8.2 per cent while growth in employment in the market sector was just 0.9 per cent. This implies that government spending has been supporting the labour market and that, absent that support,

⁴¹ RBA May Statement (n 25).

⁴² Living Cost Index ('LCI').

⁴³ RBA May Statement (n 25) 28.

unemployment would be higher. The RBA May Statement characterises market sector employment growth over the last year as 'soft', but overall assesses the labour market as remaining relatively tight with indicators of spare capacity stabilising at somewhat elevated levels.⁴⁴ Wages growth has moderated broadly in line with the RBA's expectations.

- [32] The combination of weak economic growth and strong overall employment and hours growth has meant a reduction in labour productivity in 2024, contrary to the RBA forecast and Budget expectations at the time of the *AWR 2024 decision*.⁴⁵ In previous annual wage review decisions, it has been emphasised that productivity is best assessed over multi-year cycles, typically a period of four to eight years. The current cycle (starting 2021–22) is incomplete but, considered together with the previous cycle (2017–18 to 2021–22), it is clear that labour productivity growth is considerably below its long-run trend, with the level of productivity being no higher than it was pre-pandemic.
- [33] However, as with employment growth, it is necessary to differentiate between productivity growth in the market and non-market sectors. It is also necessary to separate out the mining sector, for which measured productivity is not always an accurate representation of productive efficiency because resources that are easier to mine are depleted first, with higher commodity prices leading mining companies to pursue harder-to-mine resources.⁴⁶ Annualised productivity growth (gross value added (GVA) per hour worked) in the non-mining market sector from the December quarter 2019 to the December quarter 2024 was a reasonably healthy 1.5 per cent. This is reduced to 0.5 per cent in the market sector once mining is included, and across the whole economy, including the non-market sector, GDP per hour worked was -0.1 per cent annualised, or -0.7 per cent over the whole period.
- [34] Therefore, leaving aside the mining sector, it appears that the national economy's 'productivity problem' is largely a consequence of the non-market sector's disproportionate growth in its share of GVA and hours worked. This flows from governmental policy decisions to improve the availability and quality of services in areas such as healthcare and social services. The measurement of productivity in the non-market sector is problematic since it is not possible to measure output by reference to the market prices paid for goods and services, as in the market sector. The Australian Bureau of Statistics (ABS) generally uses production costs as a proxy for output prices, meaning that when rapid employment growth occurs in the non-market sector, particularly in lower-paid employment, this has the consequence of increasing measured output by less than the increase in hours worked, thus lowering measured productivity. This is not a measure that operates by reference to the improved quality of outcomes that might be achieved by greater investment in the non-market sector, and it likely underestimates 'true' productivity improvements in the sector. For example, a 2024 Productivity Commission analysis of health sector outcomes in the treatment of cancers, cardiovascular diseases, blood and metabolic disorders, endocrine disorders and kidney and urinary diseases measured 'quality adjusted multifactor productivity' as having increased by about 3 per cent per year between 2011–12 and 2017–18.⁴⁷
- [35] More generally, there may be other post-pandemic abnormalities operating to depress productivity growth. The recent rapid expansion in employment may have seen persons who have been long-term unemployed or are new immigrants, and/or who have below-average skills, education and experience enter employment and be less productive in their jobs, at

⁴⁴ RBA May Statement (n 25) 33, 36.

⁴⁵ *AWR 2024 Decision* (n 24) [71].

⁴⁶ Productivity Commission, *Annual Productivity Bulletin 2025* (26 February 2025).

⁴⁷ Productivity Commission, *Advances in Measuring Healthcare Productivity* (April 2024).

least initially. In addition, the normally-stable ratio of capital inputs to labour inputs has fallen as business investment has not kept pace with the rapid growth in employment, growing by 1.8 per cent during 2024 compared with a 3.1 per cent increase in employment in the same period. The RBA May Statement describes the necessary recovery in the capital-to-labour ratio as having stalled in recent quarters. Notwithstanding this, the RBA has forecast growth in (non-farm) labour productivity of 1.1 per cent for the upcoming financial year, and the Budget also assumes a return to productivity growth. These are based on forecasts of output growth outpacing lower employment and hours growth. We note that forecasts of an easing labour market in recent years have repeatedly proven to be misplaced, with the latest labour force data again showing surprising strength in employment growth.

- [36] Of concern in respect of business competitiveness may be that real unit labour costs increased by 2.3 per cent in the 12 months to the December quarter 2024. However, this includes the non-market sector in which measured productivity has fallen, as earlier discussed. From a longer-term perspective, real unit labour costs have not increased compared to five years ago, and are lower than what they were a decade ago.⁴⁸
- [37] After a precipitous drop in household living standards due to inflation outpacing wages and mortgage interest rate increases in 2022 and 2023, there has been some recovery in real household disposable income in 2024 both as a result of wages beginning to run ahead of inflation, and because of the Stage 3 income tax cuts. AWOTE increased by 4.6 per cent in 2024, well ahead of both the CPI and the WPI. Real household disposable income is expected to continue to increase over the course of 2025 and beyond as a result of further increases in real wages and reductions in mortgage interest rates.⁴⁹
- [38] Lower interest rates are likely to support improved economic conditions over the next year, with higher economic growth and household consumption. The Budget forecasts that real household disposable income for 2026–27 will be around 8.75 per cent higher than in 2023–24.⁵⁰ However, the assessment in the RBA May Statement is that growth will be somewhat weaker than previously expected as a result of uncertainty arising from international trade tensions, although the RBA considers there is little sign that this has yet affected consumer or business sentiment.⁵¹ The International Monetary Fund cut its growth projections for global growth and for most countries, including Australia, in its April 2025 World Economic Outlook Report as a result of a more pessimistic assessment of the effects of US trade policies. While the degree of uncertainty is yet to manifest in any discernible change in economic conditions, the economic forecasts in the Budget and by the RBA have a higher margin of error than normal.⁵²

Queensland State economy

Queensland State Budget

- [72] The Queensland Budget was delivered on 24 June 2025. Labour market conditions are expected to remain strong. Wages are forecast to grow 3 ½ per cent in 2025–26, representing real wage growth. Geopolitical tensions and changes in global trade policies

⁴⁸ *Statistical Report — Annual Wage Review 2025* (Fair Work Commission, 15 May 2025) Chart 2.3.

⁴⁹ Commonwealth of Australia, *Budget 2025–26: Budget Strategy and Outlook* (Budget Paper No 1, 25 March 2025) 44.

⁵⁰ *Ibid.*

⁵¹ RBA May Statement (n 25) 30, 60.

⁵² *AWR 2025 Decision* (n 16) [28]–[38].

present material risks to the global, national and state economic outlook. Consecutive natural disasters affecting several areas of the State in early 2025 have weighed on growth in 2024–25, alongside with the initial effects of global trade policies.

Economic growth

- [73] The Queensland economy is forecast to strengthen in the near term and remain robust across the forward estimates. The Queensland 2025-2026 Budget Strategy and Outlook Paper forecasts that economic growth will ease slightly but remain robust at 2 ½ per cent in 2026-27.
- [74] Queensland's GSP growth profile is ahead of the national forecast profile published by both the Australian Treasury and the RBA.⁵³ GSP growth is forecast to strengthen to 2½ per cent in 2024-25 though the factors identified in [71] are estimated to have reduced GSP growth by around ¾ percentage point.
- [75] Public demand is expected to remain robust and private sector consumption and investment are forecast to strengthen to be key drivers of activity next year. The Budget is forecasting GSP growth of 2 ¾ per cent in 2025–26, before easing slightly while remaining robust at 2 ½ per cent from 2026–27.⁵⁴

Inflation

- [76] Subdued economic growth has supported a significant easing in inflationary pressures nationally from the multi-decade high observed in late-2022 (7.8 per cent in the year to December quarter 2022). The national CPI increased by 2.4 per cent over the year to March quarter 2025, remaining steady from December quarter 2024.⁵⁵
- [77] The annual inflation rate in Brisbane, at 2.7 per cent in March quarter 2025, was marginally higher than other states, reflecting the unwinding of larger energy rebates for households and businesses in Queensland.
- [78] The 2025-26 Queensland State Budget forecasts Brisbane's CPI to moderate from 4.1 per cent in 2023-24 to 2 per cent in 2024-25; due to the impact of various State and Federal cost-of-living rebates. As these temporary measures are unwound, annual CPI growth is expected to strengthen to 3 ¼ per cent in 2025-26 before moderating to 2½ per cent in 2026-27 and stay at that rate across 2027-28 and 2028-29.⁵⁶

⁵³ Affidavit of Dennis Patrick Molloy filed 25 July 2025, [7.2].

⁵⁴ Ibid [5.10].

⁵⁵ Ibid [5.21].

⁵⁶ Ibid [5.26].

Labour Market

- [79] Queensland's labour market conditions are expected to remain strong, with employment growth of 3 per cent in 2024–25, before jobs growth stabilises at 1 ½ per cent from 2025–26 onwards, broadly in line with population growth.
- [80] Forecasts for the unemployment rate and employment growth are broadly in line with national forecasts.⁵⁷ The State's unemployment rate is forecast to remain lower for longer than previously expected. While edging slightly higher from 4 per cent in 2024–25 to 4 ¾ per cent in 2028–29, it will remain well below the long-run average across the forecast period.
- [81] Wages growth is forecast to be 3 ¾ per cent in 2024–25 and 3 ½ per cent in 2025–26 before slowing to 3 per cent by 2028–29, delivering ongoing real wages growth across the forward estimates.

Business Conditions

- [82] After a strong recovery following the COVID-19 period, business investment growth slowed significantly, with business investment falling by 1.4 per cent in the year to March quarter 2025. The lagged impact of higher interest rates and moderating business conditions, together with capacity constraints and higher costs in the construction industry, likely contributed to this weakness.
- [83] Weather conditions also played a role with the level of rainfall in the first 3 quarters of 2024–25 considerably higher than normal. Ongoing global economic uncertainty is likely to have constrained investment activity in the first half of 2025. Treasury expect that this will push investment activity into 2025–26 when a rebound is expected, subject to normal weather conditions being experienced.
- [84] Reflecting these constraints, overall business investment is expected to fall by 1 per cent in 2024–25 before recovering to grow by 1 ½ per cent in 2025–26 and 3 ¼ per cent in 2026–27. A rebound in non-dwelling construction is expected to be a key driver of the recovery.

Application of FWC economic assessment

- [85] The Full Bench has before it, data of the economic conditions of both the federal and state economies. As already noted, the Full Bench has not had the benefit of analytical expert evidence providing a comparative assessment between the national and state economic data. However, regard has been had to the economic assessment undertaken by the FWC in the AWR.

⁵⁷ Affidavit of Dennis Patrick Molloy filed 25 July 2025, [7.5].

- [86] The FWC in arriving at its decision considered: the scope and effect of the Review; national economic and business considerations, including inflation, budget forecasts, the effect of wage increases; gender equality; workforce participation; relative living standards and the need of the low paid; fair minimum wages for junior employees, trainees and employees with a disability; as well as other considerations including, access to secure work and collective bargaining. Having regard to the above factors, the AWR 2025 represents a complete moment-in-time analysis for the purposes of making annual minimum wages adjustments. Moreover, as part of its assessment, the FWC was assisted in its task by submissions from an array of interested parties including: the Commonwealth and various State Governments; various employers and employer representative groups; and, various unions and such like associations.
- [87] The principal consideration for the FWC in the AWR 2025 was that since July 2021, employees who are reliant on modern award minimum wages or the NMW have experienced a reduction in the real value of their wage rates. The FWC noted that in the case of modern awards, the benchmark C10 award rate of pay has declined by 4.5 percentage points relative to inflation as measured by the CPI.⁵⁸ The reason for this reduction in real modern award wages and the NMW was the result of the spike in inflation which commenced in 2021 and peaked in late 2022. Consequently, over the last three Annual Wage Review decisions, the FWC has deferred taking any action to reverse this decline in real wages out of a concern that this might result in the persistence of higher inflation. Considering the RBA's assessment that inflation has sustainably returned to its target range of 2–3 per cent suggests that this inflationary episode is now over, the FWC seized the opportunity to go at least some of the way towards correcting what has happened over the last four years by awarding a real increase to modern award wages and the National Minimum Wage.⁵⁹
- [88] In undertaking its assessment, the FWC did not consider that having regard to continued moderate growth in non-mining business profits and the prospect of some recovery in consumer demand as a result of interest rate reductions and increasing real household disposable income, that the increase to modern award wage rates would have any adverse impact of significance upon business. That there has been modest growth in labour productivity in the market sector over the past five years is indicative of some capacity to pay an increase of this size.⁶⁰ They also observed that there is continuing employment growth, low unemployment and historically high rates of participation in the workforce. Reductions in interest rates are likely to lead to higher consumer demand and a higher level of economic growth than we have experienced in recent times. Although business has faced challenging circumstances in recent times, business conditions have remained

⁵⁸ *AWR 2025 Decision* (n 16) [6].

⁵⁹ *Ibid* [145].

⁶⁰ *Ibid* [148].

reasonably healthy, with the level of non-mining profits maintained in real terms and profit margins at approximately their pre-pandemic level.⁶¹

- [89] Australia's continuing poor performance in labour productivity growth has operated as a restraining factor on the size of the increase which was determined. The FWC observed that the problem is primarily located in the non-market sector, where there has been significant growth in employment in the healthcare and social services sectors in recent years. By contrast, in the market sector, there has been modest growth in labour productivity over the current multi-year cycle, which indicates some capacity for business to pay for a modest increase in real minimum wages.⁶²

Queensland Minimum Wage

- [90] The two applications filed in this matter, seek an increase of 3.5%. The State and the LGAQ submit that an increase of not more than 3.5% to the QMW is fair and just.

Consideration

- [91] Notwithstanding that there is general agreement amongst the parties in these proceedings as to the desired outcomes, it is within the discretion of the Full Bench to arrive at a decision it believes is appropriate after considering the matter within the required statutory parameters.
- [92] Whilst the relative positions adopted by the parties are important, they are not, by themselves determinative. As this Commission has said previously, we cannot adopt a rubber stamp approach. In exercising our statutory function, we must bring an independent mind to the task of determining whether, in all the circumstances, the FWC's determination ought to be properly adopted.
- [93] The parties accepted that employees within the Queensland jurisdiction should be paid a wage that is fair and reasonable.
- [94] As was observed by the Commission in its State Wage Case 2023, there is an:

... overarching responsibility to ensure, amongst other things, that employees are covered by fair and reasonable wages that allow them to participate in society and that those who do not benefit from bargaining are not left behind.⁶³

⁶¹ *AWR 2025 Decision* (n 16) [8].

⁶² *Ibid* [9].

⁶³ *SWC 2023* (n 12) [141].

[95] In the AWR 2025 decision the FWC expressed the view that:

[131] In both the AWR 2023 decision and the AWR 2024 decision, the Expert Panel affirmed the principle that, in the medium to long term, it is desirable that modern award minimum wages maintain their real value and increase in line with the trend rate of national productivity growth. This principle operates subject to the qualification that in the immediate circumstances of particular Reviews, as they apply themselves to the mandatory considerations in ss 284(1) and 134(1), it may not be possible to adhere to that objective. We again affirm this principle as one central to the maintenance, over time, of a safety net of fair minimum wages.⁶⁴

[96] As was noted by the Commission in its decision in 2024, such a principle accords generally with this Commission's functions including those pursuant to ss 141, 142 and 143(1)(i) of the IR Act.

[97] The purpose of the IR Act and how that purpose is to be achieved is set out in ss 3 and 4 of the IR Act. Therefore, consistently with the legislative framework including the functions required to be undertaken by ss 141 and 142 of the IR Act, the Commission is mindful of its overarching responsibility to ensure, *inter alia*, that employees are covered by fair and reasonable wages that allow employees to participate in society and to ensure that those who do not benefit from bargaining are not left behind.

[98] In determining this year's SWC, the Full Bench has also taken into account data with respect to the relative wage growth and the cost-of-living expenses of those living in the state of Queensland. Moreover, these are factors that arise at both a national and state level.

[99] It remains the case that declining real wage growth is a significant problem in an environment where employees, particularly low-paid employees, are faced with rising cost of living expenses.

[100] It is noted that this decision will apply within the state and local government sectors and parents and citizens' associations. The employees within the Queensland industrial relations jurisdiction are covered by either an award and/or by a certified agreement.

[101] In this environment the QMW operates to maintain a safety net of fair minimum wages to underpin certified agreements and, in a practical sense, as the material before the Commission suggest, only a small number of employees directly rely on the QMW. Nevertheless, consistent with our obligations under IR Act we consider that regard should be had to factors that impact the relative living standards of low-paid employees and to whom the QMW may apply. Such factors include, *inter alia*, relative wage growth and inflation. These economic factors support an increase to the QMW.

⁶⁴ AWR 2025 Decision (n 16) [131] (citations omitted).

- [102] We accept that the conclusions reached by FWC Expert Panels, in the AWR proceedings, are arrived at after careful and thorough analysis of cogent evidence based on exhaustive statistical data and on comprehensive submissions. In that light we can see no cogent reason to depart from the exhaustive and careful analysis of all relevant factors as undertaken by the FWC Expert Panel in its 2024-25 Review decision.
- [103] Having regard to the economic data before us and placing weight on the position adopted by all parties that there is no significant difference between the data, we conclude that the economic analysis conducted by the FWC of the national economy is substantially the same as that of the Queensland economy. In that regard, the Full Bench accepts the evidence of Mr Dennis Molloy, Deputy Under Treasurer. We consider that there is no cogent reason to depart from the FWC decision of a 3.5% increase.
- [104] Having regard to and appropriately weighing the matters we are required to take into account pursuant to ss 141, 142 and 143 of the IR Act, we have determined that the minimum award wage and allowances in Queensland modern awards shall be increased by 3.5%.
- [105] Accordingly, the Commission has determined that the QMW for a full-time employee in Queensland be increased by 3.5% to \$948.00.⁶⁵
- [106] Concurrently with this decision, the Commission will issue a declaration of General Ruling giving effect to the orders made.
- [107] Each of the parties submit that the operative date of these orders and the General Ruling be 1 September 2025. Having regard to the parties' position, and consistent with the approach of the Commission previously taken, these orders and the General Ruling will operate on and from 1 September 2025.

Orders

[108] It is ordered that:

1. **The wages or salaries for full-time adult employees in all state awards shall be increased by 3.5%.**
2. **Monetary allowances (other than expense related allowances) in all state awards that relate to work or to conditions which have not changed, and service increments, are to be increased by 3.5%.**
3. **The minimum wage rate per week for all full-time employees in Queensland is \$948.00.**
4. **The above increases operate on and from 1 September 2025.**

⁶⁵ Rounded to the nearest ten cents.