QUEENSLAND INDUSTRIAL RELATIONS COMMISSION

Industrial Relations Act 2016 (Qld) s.458

Matters No. B/2026/59-60

Queensland Council of Unions, Applicant B/2026/59

Together Queensland, Industrial Union of Employees, Applicant B/2026/60

APPLICATION FOR A DECLARATION OF GENERAL RULING

STATE WAGE CASE 2026

Submission of the

LOCAL GOVERNMENT ASSOCIATION OF QUEENSLAND (LGAQ)

7 AUGUST 2026

Introduction

1. The Local Government Association of Queensland (LGAQ) is the peak body representing local government in Queensland and is the registered industrial organisation for the Queensland local government sector. In that capacity, the LGAQ represents the interests of the State's 77 local governments, which collectively employ a workforce of approximately 45,870 delivering a central statutory, economic and community service function across Queensland.

Local government context

2. The Queensland local government workforce is covered by the State's industrial relations jurisdiction and comprises approximately 45,870 employees. Within that workforce, approximately 1,630 employees are award-reliant, with that cohort being concentrated predominantly in First Nations councils and smaller regional, rural and remote councils.
3. The LGAQ has recently undertaken a comprehensive consultation process with its membership in relation to a sector-wide submission concerning the *Industrial Relations Act 2016* (Qld) (IR Act) and the *Workers' Compensation and Rehabilitation Act 2003* (Qld) (WCR Act). The process provided a further opportunity to engage with councils on matters relevant to the State Wage Case, including the practical operation of annual wage adjustments, affordability considerations, workforce attraction and retention, and the budgetary implications for councils with award-dependent workforces.
4. The LGAQ and its member councils recognise the important role performed by the annual State Wage Case Decision in maintaining an appropriate safety net for employees covered by State awards. The sector also acknowledges

that an orderly and predictable annual wage-setting process assists councils to plan for labour costs and to support the attraction and retention of an appropriately skilled, capable and sustainable workforce.

5. The outcome of the State Wage Case is of particular significance to First Nations councils and to councils with smaller and predominantly award-reliant workforces. Those councils commonly operate within constrained revenue bases, limited own-source income and heightened service delivery obligations, while simultaneously seeking to sustain local employment and provide essential services in communities where council is often a major employer.
6. It is therefore appropriate that any wage adjustment determined in the present proceedings considers and balances the legitimate interests of employees with the financial capacity of councils to continue delivering essential services and infrastructure safely, reliably and cost-effectively.
7. Local government is a vital tier of government in Queensland and contributes materially to the liveability, economic development and resilience of communities across the State. Queensland includes councils that are among the largest in Australia by population and by geographic area.
8. Councils are responsible for the delivery of a broad range of infrastructure, regulatory, community and environmental services, and those responsibilities are discharged through workforces that vary significantly in size, location and industrial arrangements. For award-reliant councils, the outcome of the State Wage Case has a direct and immediate effect on employment costs and budget management.

Councils' position

9. The consultation undertaken by the LGAQ confirms that councils have historically relied upon the Queensland Industrial Relations Commission to issue an annual State Wage Case General Ruling that is broadly consistent with the approach adopted in the federal jurisdiction. That consistency has provided an important basis for financial forecasting, enterprise bargaining assumptions, payroll implementation and the preparation of annual operating budgets.
10. The Fair Work Commission's Annual Wage Review Decision of 2 June 2026 provided for a 4.75 per cent increase across federal modern awards, including the national minimum wage. Local governments have had regard to that decision in preparing their budgets for the 2026–27 financial year, including
    a. councils whose employees are covered only by awards, and
    b. councils that operate under certified agreements, particularly where award-related allowances or other flow-on entitlements are relevant.
11. For Queensland's local governments the federal decision has customarily operated as a material reference point in anticipating a likely outcome of the State Wage Case. In reliance upon that approach, councils undertake workforce and financial planning on the basis that the State outcome would not materially exceed the federal increase.
12. Councils raised with the LGAQ that a departure from that established practice would create uncertainty for those councils that have already finalised, or substantially progressed, their budgets for the 2026/27 financial year, and would compromise those councils without certified agreements that depend upon the General Ruling to determine annual wage movements.

13. A General Ruling prescribing an increase greater than 4.75 per cent would therefore have a disproportionate effect on award-reliant councils and those councils already assessed as being at moderate to high risk of financial unsustainability.

14. Such an outcome would not operate uniformly across the sector; rather, it would fall most heavily on councils with the least fiscal flexibility, limited capacity to raise revenue, and substantial obligations to maintain essential community services and infrastructure across geographically dispersed communities.

15. Many First Nations councils and smaller councils are required to meet increasing community expectations and service delivery obligations with constrained and, in some cases, declining resources. Those pressures are compounded by cost shifting, increased compliance requirements, higher input costs and the practical challenges of recruiting and retaining skilled employees in regional, rural and remote locations.

16. While Queensland local governments support that a fair and reasonable wage adjustment is necessary and appropriate, an increase exceeding the federal benchmark would impose additional and acute pressure on the workforce budgets of councils least able to absorb it.

Decision sought by Queensland local governments

17. For those reasons, and having regard to the Commission's statutory function and discretion in determining the matters before it, the LGAQ respectfully submits that a fair and reasonable wage adjustment in the present proceedings would be one that does not exceed the federal increase of 4.75 per cent, including in respect of the following matters:

    - the Queensland minimum wage, by the application of an increase that is fair and reasonable in all the circumstances and does not exceed the federal outcome;
    - State award wage rates, by the application of an increase that is commensurate with the federal outcome and does not exceed 4.75 per cent;
    - existing and applicable allowances under local government awards that relate to work or conditions that have not changed, or that do not otherwise contain an independent mechanism for variation, by the application of an increase that is fair, reasonable and no greater than 4.75 per cent; and
    - that Queensland local governments support the established custom and practice that a General Ruling operate from 1 September 2026.