

--MEDIA RELEASE--

Same Job, Same Pay laws delivering more than expected: new research

New research by the McKell Institute has found that the Albanese Government's Same Job, Same Pay laws have been driving significant wage gains across the Australian economy and creating long-term benefits worth billions.

The McKell Institute report, Closing Loopholes, Opening Opportunities, finds that the economic impact of closing the so-called "labour hire loophole" has been substantially underestimated, with real-world wage increases already outstripping government forecasts.

"Same Job, Same Pay was designed to restore fairness to Australian workplaces. This report shows it is doing exactly that – and on a far greater scale than many expected," said McKell Institute CEO Ed Cavanough.

Key findings include:

- Same Job, Same Pay is projected to drive an annual wage uplift of up to \$920.3 million in a moderate scenario, with a potential to exceed \$1 billion in higher estimates.
- This wage uplift could deliver a broader economic contribution of up to \$2.556 billion annually, as higher wages stimulate spending and regional economic activity.
- In sectors like mining, aviation, and retail, workers are already seeing life-changing pay increases of \$30,000–\$60,000 per year.
- Some companies are proactively shifting labour hire workers into direct employment to comply with the new laws, ending a decade of outsourcing.
- Labour force data shows no negative employment effects from the changes. Instead, it shows rising employment, tight labour markets, and increased job satisfaction.
- Broader economic benefits are compounding, particularly in regions dependent on mining and manufacturing. Using a standard consumption multiplier, the report estimates a total economic benefit of \$2.556 billion annually, growing to \$5.5 billion by 2034.

The report also highlights specific industries where workers are already benefitting:

- Mining: Over 1,500 workers have received average pay increases of around \$33,500, with some seeing gains up to \$60,000. A further 4,300 mining workers stand to benefit from pending decisions, worth an additional \$200 million in aggregate wages.
- Aviation: More than 3,000 Qantas flight attendants are seeing pay rises of up to \$20,000 per year, following the use of SJSP laws as a bargaining tool.
- Retail: At a Kmart distribution centre in Brisbane, 200 workers saw their hourly wage rise by over 30%, from \$35.62 to \$47.18 per hour, under a Fair Work Commission order.

"For too long, employers used labour hire as a tool to undercut enterprise agreements — slashing wages and creating two-tiered workforces at the same sites," Mr Cavanough said.

“This wasn’t flexibility. It was wage suppression. And the consequences were being felt by workers, families, and entire communities, particularly in regional areas.”

“The data tells a clear story: the wage gains are real, they're substantial, and they’re being delivered without any adverse impact on jobs or economic performance.

“Wage justice isn’t just about equity. It’s about growth. When you give workers a fair go, you boost household budgets, lift regional economies, and strengthen the entire country.

“Critics predicted disaster. What we’re seeing instead is rising wages and growing confidence.”

CONTACT

Ed Cavanough

CEO

McKell Institute

0423 422 948 | edward@mckellinstitute.org.au