

## 2025 ANNUAL WAGE REVIEW

Australia's peak body for restaurants, cafes and caterers, Restaurant & Catering Australia (R&CA) expresses concerns regarding the Fair Work Commission's decision to increase the modern award minimum wage by 3.5% from 1 July 2025.

"The decision by the Expert Panel will directly impact the viability of hospitality businesses in Australia and the future of gastronomy in our nation." R&CA CEO Suresh Manickam said.

"R&CA's recent Industry Benchmarking Report found that almost 80% of operators are considering a further increase in menu prices which can be attributed to the increase in wages costs. The decision today will need to be closely monitored for its impact on the wage-price inflationary spiral."

In a submission published in March, R&CA had been advocating on behalf of the hospitality industry for the Fair Work Commission to consider the current challenges faced by the sector and to take into account the broader economic context when arriving at their final result.

R&CA highlighted that the increase of wages last year fuelled inflation over the past year. Given the looming tax cuts, R&CA also recommended no more than a 2.5% wage rise. To this end, today's results are disappointing and another missed opportunity to support the industry.

R&CA CEO Suresh Manickam said that this is an outcome that compounds the business uncertainty from inflationary pressures faced by family businesses.

"This wage hike is purely unsustainable for industry operators, as we know any increase in minimum wages have repercussions beyond a businesses wage costs, and will lead to higher rates of unemployment and underemployment, and economic repercussions that impact the every-day consumer. Continued inflation and interest rate increases will be on the menu for all Australians and consumers."

R&CA will be monitoring the impacts of this wage increase on the sector.

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