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Lowest paid workers need a lifeline as inflation up again

Figures from the Australian Bureau of Statistics today show that after three months of steady decline, inflation has again jumped – to 6.8% in the 12 months to April 2023. Over the 12 months to March 2023, inflation rose by 6.3%, so today’s figures reveal a rise of 0.5%.

While the ABS ascribes this jump to anomalies such as the reinstatement of the full fuel-excise in April 2022 and expected seasonal volatility in fruit and vegetable prices and holiday accommodation prices, this is cold comfort for working people whose wallets are deeply impacted by constantly rising costs.

Prices for essentials are still rising steeply. Over the 12 months to April, the cost housing has risen by 8.9% overall, with rents up by 6.1% and new dwelling purchases by owner-occupiers up 9.2%. The price of bread and cereal has risen by 11.4% and milk by 14.5%. Electricity is up by 15.2% and transport is up by 7.1%.

At the same time, wages are still going backwards. The most recent data from the Fair Work Commission (released 22 May) shows the annual average wage increase from enterprise agreements lodged in the fortnight of 8 April to 21 April was just 3.1%. This is a decrease of 0.4% from the previous fortnight, which was 3.5%. There is clearly no wage-price spiral.

Quotes attributable to ACTU Secretary Sally McManus:

“Today’s data tells us that prices for essentials are still going up at extraordinary rates, with no end to the cost-of-living crisis in sight. Working people are struggling to keep their heads above water, with inflation outpacing wages growth by more than double the rate.

“The Reserve Bank should not take these inflation figures as a green light for more interest rate rises. It must recognise how these shocking price rises affect working people and not pile on with more increases.

“The people worst affected by ongoing inflation are those earning the minimum wage and award wages. It is essential that the Fair Work Commission acknowledge this in the coming days and grant pay rises that help them to survive. Australia’s 2.67 million lowest paid workers desperately need a lifeline.

“Relief is urgent for working people across the board through good, secure jobs, stamping out wage theft and ending the unfair labour-hire loopholes that drive down wages and conditions.”

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Media: Monica Crouch 0411 645 751