

Wednesday, 25 October 2023

Profit driven inflation heaps more pain on workers

Today's CPI figures show inflation grew 1.2 per cent in September, coming in 5.4 per cent higher than a year ago, according to data release this morning by the Australian Bureau of Statistics.

The key drivers of the increase were rents, petrol prices, electricity costs and staples.

Fuel prices were up 7.2 per cent in September, up 7.9 per cent compared to September 2022 and the largest quarterly rise in fuel prices since March 2022, mainly driven by higher global oil prices.

Rents rose 2.2 per cent in September, to be 7.6 per cent higher than a year ago, with rental prices for flats continuing to outpace price growth for houses.

Electricity rose 4.2 per cent in September, to be 14.5 per cent higher than September 2022, reflecting higher wholesale prices being passed on to consumers from annual price reviews in July.

In September, bread prices were 12.6 per cent higher than a year ago, egg prices were 7.9 per cent higher than a year ago, while dairy products were 10.2 per cent higher than a year ago.

Earlier this year the Australia Institute released research that showed that corporate price gouging, and the associated record profits generated by it, were a far more potent driver of Australia's inflation crisis than modestly rising wages.

Quotes attributable to ACTU Assistant Secretary Liam O'Brien:

"Whilst big business pop champagne corks celebrating eye watering profits Australian workers are still doing it tough.

"Corporate profits have grown over the last two years while real wages have fallen. Workers are falling behind whilst superyacht sales are on the increase. Big business has the audacity to lecture workers on pay restraint and opposing calls to pass legislation that will get wages moving, all because they want to protect their mega profits.

"If we are going to get through this cost-of-living crisis then the parliament must immediately pass the Closing Loopholes Bill and get wages moving.

"Electricity, rents, fuel, and even our most basic staples such as bread and butter cost significantly more than they did a year ago. These are essentials, not luxuries, there's no more give in the system. It's not demand that's driving these increases, it's mega profits.

"This is profit driven inflation, plain and simple.

"Between the RBA and big business, working people's budgets are being smashed. We call on the RBA not to inflict more pain on the pockets of hard-working Aussies who are just trying to get on with everyday life.

A rate rise next month won't solve the problem of inflation that is driven by corporate profits. It will only hit those who can least afford it.

ENDS

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