media release

ACTU australian council of trade unions

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Real wages are now growing but there is still ground to be recovered

A new OECD report has confirmed that real wages are growing again in Australia for the first time in nearly three years.

The OECD's Employment Outlook 2024 confirms that real minimum wages grew by 2.3 per cent between 2019-2024.

However, despite recovering some of that lost ground, the report found that in Australia real wages are still 4.8 per cent lower than they were pre-pandemic in the last quarter of 2019.

Wages have grown less than in most OECD countries and below the median OECD average of 8.3 per cent.

The report also debunks any claims that there is a 'wage price spiral' in Australia, pointing out that excessive profits have caused inflation and hurt workers real incomes.

"As real wages are recovering some of the lost ground, profits are beginning to buffer some of the increase in labour costs. In many countries, there is room for profits to absorb further wage increases, especially as there are no signs of a price-wage spiral," the report states.

Quotes attributable to ACTU Secretary, Sally McManus:

"The OECD report shows the damage done by ten years of wages suppression under the last Government. Fixing and closing all the wage cutting loopholes has been a big job and involved four pieces of legislation by the Albanese Government.

"The new laws are slowly becoming operational, and this is now showing up in the wage growth figures. This is the reason Australian workers are finally getting ahead again with real wages up by 0.5 per cent in the last year.

"Unfortunately, the Coalition in office had a track record of delivering low wages growth and they still believe that it is a good thing. Last month, Shadow Finance Minister, Jane Hume said that the prospect of real wage growth for workers on awards would be 'the worst thing for Australians.' The reality is the worst thing for Australians is wages going backwards and this shows how out of touch they are.

"Now we have the OECD saying that real wages have ground to recover here, saying there is room for company profits to absorb further wage rises. They also point to profits, not wages, as driving inflation."

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