

Monday 9 May 2022

## Unions increase annual wage claim in response to cost of living increase

The ACTU has revised its Annual Wage Review claim from 5 per cent to 5.5 per cent to ensure that the quarter of the workforce who rely on pay increases provided by the Review do not go backwards in the midst of the Morrison Government's accelerating cost of living crisis.

This increase would lift the hourly rate in the minimum adult wage from \$20.33 to \$21.45, the weekly rate from \$772.60 to \$815.09 and the annual rate from \$40,175.20 to \$42,384.84.

When the ACTU submitted its initial claim on the 31<sup>st</sup> of March Scott Morrison had just issued a budget which predicted inflation would peak at 4.25 per cent in the middle of this year. Inflation is already at 5.1 per cent and the RBA is now predicting it will reach 5.5 per cent by mid-year.

A pay rise of 5.5 per cent for the one in four workers who rely on the outcome of Annual Wage Review for wage growth aims to ensure that they do not go backwards in real terms. The claim is designed to break the trend of the deep real wage cuts that workers are suffering because Scott Morrison is missing in action on wages.

### Quotes attributable to ACTU Secretary Sally McManus:

"Scott Morrison must act to support increases to the minimum and award wages to protect one in four working Australians from rising cost of living pressures. A 5.5 per cent increase is what is now needed just to ensure people tread water, anything less has them drowning in bills."

"Scott Morrison's Government's submission to the Fair Work Commission is silent on backing a pay increase that keeps up with the cost of living. Instead it dedicates a whole section to the benefits of low paid work.

"Other Governments and even some employers are backing cost of living pay increases, by doing nothing, the Federal Government continues a nine year run of only acting to keep wage increases low and not lifting a finger to ensure working Australians have pay rises that secure their living standards.

"Scott Morrison's failure to act to back working people is a danger to the economy. Every dollar working people lose in real terms is a dollar not spent in local businesses. People have already cut back discretionary spending, they will have no choice but to cut it completely as for so many workers – cleaners, aged care and retail workers, there is nothing left after the rent, groceries, and petrol. This hurts local businesses who depend on people having a bit extra to spend."

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