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## New ABS data shows the real cost of living for working families is rising faster than wages

New household living cost figures released today show real financial pressures faced by working Australians and their families are higher than recognised by the Consumer Price Index, and are a further argument for decent wages for Australian workers.

ACTU President Ged Kearney said that the Analytical Living Cost Index increase of 4.5 per cent for employee households in the year to June showed the cost of living for working Australians was rising faster than general inflation.

The ALCI is a specialist measure of costs incurred by working households, and is a more accurate indicator of living costs experienced by Australian workers than the CPI, which has risen by 3.6%.

“Most people do not need these figures to remind them what they see every time they go to the supermarket or open their power bill,” Ms Kearney said.

“The cost of the necessities like fruit, petrol, electricity and both rent and mortgage interest charges families have to pay for each week went up faster than inflation, showing that fair wages for workers are more important than ever.

“Average wages have risen by around 3.8% over the past year, which means many workers are barely keeping up with the real cost of living.

“There is no doubt that the increasing cost of living is making life tougher for families, particularly those relying on casual or insecure work.”

ABS labour market statistics show more than 2 million workers are without paid leave entitlements, and more than 1 million are independent contractors.

“While casual labour may suit some workers, the majority want more job security,” Ms Kearney said.

“This level of insecurity makes it harder for families who are already struggling with cost of living pressures to plan for the future, or cope if someone sick leave.

“Employer proposals to reduce working conditions like penalty rates would only make it even harder for families who are barely making ends meet.

“The ALCI figures also strengthen the case for the Reserve Bank to hold off on interest rate rises in September, in recognition of the pressures on people trying to pay off their homes,” Ms Kearney said.

“The underlying CPI rate is within the Reserve Bank’s target range, a rate rise would just put more pressure on people trying to pay off a mortgage and cope with the rising cost of living.”

“An interest rate rise would be a blunt instrument that does not reflect the widely differing economic circumstances in different parts of the country.”

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