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Workers cop worst real terms pay cut in 20 years under Morrison “recovery”

Wages in Australia are going backwards in real terms, according to statistics released by the ABS today.

Inflation for the year of 2021 was 3.5%, while wages only increased by 2.3% over the same period of time – meaning working Australians on the average income of \$68,000 received a pay cut of \$832 last year.

A worker earning \$50,000 a year would get a pay cut of effectively \$612. A worker on \$90,000 a year effectively receives a pay cut of \$1,100.

These are the worst real terms pay cuts workers have faced in over 20 years.

The recovery from the pandemic relies on real wage growth so that working people can keep up with the rising cost of living. Instead, the Morrison Government has delivered a pay cut.

The Reserve Bank of Australia is predicting that inflation will continue to outstrip wages until at least the middle of this year.

Quotes attributable to ACTU Secretary Sally McManus:

“In 2021, workers experienced the worst real terms wage cut in 20 years, and Scott Morrison has no answers.

“Instead of supporting workers who have put their health at risk to carry this country through the pandemic, Prime Minister Scott Morrison is watching on while wages are going backwards.

“The Prime Minister should be working with unions to create wage growth and more secure jobs, rather than attacking frontline workers in an attempt to save his job.

“The Prime Minister should be asking the Fair Work Commission to give low paid workers a proper pay rise and working with unions and employers to deliver fair wage rises.

“Under this Government average wage growth per year has been 2.1 per cent, compare this with an average wage growth of 4.4 per cent from 2000-2013. This Government has never delivered real wage growth for working people and now it is delivering real wage cuts.”

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