

Wednesday 27th April 2022

Wage Crisis Escalates: Real pay cuts 4 times bigger than projected in budget

Inflation data released this morning shows that the average worker will receive a real pay cut of nearly \$2,000 in the first half of this year, nearly four more than the Morrison Government projected in the budget less than a month ago.

Workers received an \$800 pay cut in real terms in 2021, with the Morrison Government projecting an additional cut of \$500 in the budget for the first half of this year. Today's data shows that actual wage cuts this year will be four times more than projected, leaving workers nearly \$2,000 worse off in the first half of the year and nearly \$4,000 worse off by the end of 2022 if trends continue.

This will only accelerate the cost of living crisis that Australian workers are living through, caused by almost a decade of low wage growth under this Government, and capped off by real wage cuts through 2021 and 2022.

Prime Minister Morrison has had years to act to address low wage growth but has refused to take simple steps like supporting increases in the Fair Work Commission's Annual Wage Review, supporting the Aged Care workforce's pay case, or delivering real pay rises to his own workforce – one of the largest in the country.

Quotes attributable to ACTU President Michele O'Neil:

“This data shows the legacy of almost a decade of coalition Governments refusing to do anything to generate wage growth for working people – working people watching the value of their wages go backwards by nearly \$2,000 in the first half of this year alone.

“This is the worst real pay cut for working people this century.

“Workers know you can't trust Scott Morrison's promises that wage growth is around the corner. It has taken less than a month for the projections in the budget to fall apart.

“Australian workers deserve a government that will stand up for their interests and fight for wage growth, not one that makes empty promises and sits by while their wages go backwards and cost of living sky-rockets.”

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