

Monday 6 June 2022

Employer groups push for cuts and freezes for lowest paid workers

In final submissions to the Annual Wage Review a string of employer lobby groups have argued that a pay rise needed to end years of real-term pay cuts for workers in hospitality, accommodation, tourism and even retail - among other sectors – should again be delayed for another 4 months.

These pay freezes would hurt businesses and the economy more broadly by reducing discretionary spending even further and driving millions of working people to cut back on even the most essential items.

They would also come at a time when profits and productivity are at record and near-record highs, in an economy that is approaching full employment.

These employer groups have made it clear that they will never support wage growth for working people and are engaged in a rear-guard action to try and delay any relief for working people during a brutal cost of living crisis.

In previous decisions the Fair Work Commission has delayed pay increases for some sectors heavily impacted by Covid-19 and lockdowns. However, those sectors have more than recovered.

Quotes attributable to ACTU Secretary Sally McManus:

“Working people need a pay rise. Under the last Government we had almost a decade of record-low wage growth capped off by real wage cuts across the economy. The Annual Wage Review can end those cuts for a quarter of working people.

“It’s is morally indefensible for employers to argue for pay freezes when profits are up 20 per cent and on every measure businesses have recovered well from the pandemic. The biggest risk to business is actually consumer spending which ironically they are seeking to damage through their proposed wage cuts.

“Arguing for a pay freezes and cuts for working people when all the economic indicators support a significant pay increase makes it crystal clear that some of these employer groups will never support pay rises for workers.

“Several of the employer groups are arguing that increasing wages will make it harder for them to attract staff. We would encourage them to test that theory.

“We currently have a cost of living crisis, with productivity high and profits at record levels, low unemployment and the lowest labour share of GDP on record. Anyone not currently advocating for wage growth is ignoring the problem.

“Working people cannot be left behind in the recovery from the pandemic. The Annual Wage Review is the first step in ensuring that we share the recovery from this crisis across the economy.”

Media contact: Peter Green 0400 764 200