media release

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Employers ignoring strong productivity growth and record profits as they push for wage cuts

Employer groups continue to push for pay cuts and delayed pay increases in their submissions to the Annual Wage Review, despite evidence of strong productivity growth and record profits.

Employer lobby groups have opposed fair wage increases on the grounds that productivity growth is weak but fell silent when last week's strong productivity figures were announced. Productivity grew by 2.8 per cent for the year to March, while wages went backwards in real terms by 2.7 per cent over the same period.

Workers would be $10,000 better off on average across the last decade if wages had kept up with the productivity gains.

The current ACTU claim to the Annual Wage Review would cost less than 1 per cent of corporate profits and would prevent further real wage cuts for a quarter of all working people.

Working Australians' wages need to keep up with the rising cost of living and they deserve a share of record profits currently being enjoyed by Australian businesses.

Continued real wage cuts will force Australians to cut back on even the most essential items, causing further damage to the economy. Wage growth is essential to sustainable economic growth.

Quotes attributable to ACTU Secretary Sally McManus:

"For these employer groups there will never be a time when they will support pay rises. They are arguing against all available evidence against pay increases. They can afford it; they just do not want to pay it.

"The ACTU claim to the Annual Wage Review would prevent a quarter of working people from falling further behind and would cost less than 1 per cent of corporate profits. Working people are not asking for much.

"It was workers who were putting themselves in harm's way during the pandemic, and it was their hard work that is currently driving productivity gains and delivering record profits.

"It's simple: If working Australians don't have money in their pockets, and they're trying to choose between paying an energy bill or putting food on the table, they're not going to be spending on discretionary items. This will cause real damage to the economy. Wage growth is an essential to sustainable economic growth."

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