

Tuesday 4 October 2022

## Ongoing rate hikes deepen cost-of-living crisis

Today's interest rate rise of 25 basis points to 2.6 per cent, announced by the Reserve Bank of Australia represents another blow to Australian workers already struggling with a cost-of-living crisis.

\$74 extra a month or \$888 per year will be added onto the average borrower's repayments on a mortgage of \$500,000 – with the RBA signaling that further rate rises are on the way. Workers with a \$500,000 mortgage have already seen their monthly repayments go up by \$687 since the RBA began raising interest rates this year.

Workers' wages have flatlined for the last 10 years and are now going backwards in real terms, with inflation continuing to grow and expected to hit a peak of over 7 per cent by the end of the year despite continued increases in the cash rate.

Despite workers having the lowest share of GDP in recorded Australian history, businesses and their CEOs have continued to rake in billion-dollar profits and bonuses.

### Quotes attributable to ACTU President Michele O'Neil:

“Despite businesses continuing to rake in billion-dollar profits, it’s workers who are bearing the brunt of the cost-of-living crisis and who will pay the real price of these cash rate increases.

“Wages are going backwards in real terms while inflation continues to grow despite rate increases. We urgently need to modernize our bargaining system so that working people get the wage growth they need to keep up with increases in the cost of living.

“These rate rises, with more forecast to follow, are putting additional pressure on working people who are already struggling to service their mortgages and put the basics on the table.”

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