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Bargaining directly linked to wage rises

The collapse of bargaining over the last 10 years has led directly to the loss of wage growth for Australian workers, and every incremental increase in bargaining coverage will result in meaningful wage increases, according to a new study from the Centre for Future Work.

The study shows that every percentage point of bargaining coverage lost since 2013 has resulted in a drop in wage growth of 0.15 per cent.

The OECD average for bargaining coverage in countries with enterprise and some limited multi-employer bargaining is 33 per cent. If the Secure Jobs, Better Pay Bill manages to increase bargaining coverage to this level, the report predicts a corresponding 1.6 per cent increase in wage growth every year. This increase would mean a \$1473 pay rise for the average worker in the first year, compounding thereafter.

Quotes attributable to ACTU President Michele O'Neil:

“This report shows exactly how the Secure Jobs, Better Pay Bill will get wages moving for Australian workers. The more workers have access to bargaining, structured in a way which makes sense in their workplace, the more working people will be able to secure a pay rise that they’ve been waiting a decade for.

“The collapse of bargaining coverage under the previous Government caused a wage growth crisis which has left millions of working people trying to do more with less. We can reverse the trend in bargaining coverage by making it more accessible and fit for purpose in our modern economy.

“The Secure Jobs, Better Pay Bill would modernise our workplace laws and bring us back into line with comparable economies around the globe, where workers are reaping the benefits of working in a functional bargaining system. This report shows the immediate and lasting impact that would have in Australia.

“We commend the Government on the urgency with which they have approached this Bill, this report makes it clear, the sooner this Bill passes, the sooner Australian workers in every sector across the economy will be able to secure a pay rise.”

Media contact: Peter Green 0400 764 200