

12 November 2014

Record wages slump but PM Abbott continues to call for real wage cuts

Prime Minister Tony Abbott's calls for Australians to accept real wage cuts at a time when new official data shows that we are experiencing the equal lowest wage growth in the 17 year history of records proves he doesn't understand the pressures on working families.

ACTU President Ged Kearney said Mr Abbott's recent calls for our defence forces to take a pay cut was both insulting and a signal to the rest of the Australian community about what the Government has in store for them.

"This prolonged slump in wages growth is putting pressure on Australian households yet Tony Abbott says wages must go backwards and families must pay for basic services such as health and education," Ms Kearney said.

"Wages are barely keeping up with the cost of living but productivity is up – that means workers aren't sharing in the benefits of growth."

Ms Kearney said she hoped Prime Minister Abbott's eyes will be opened at the G20 in Brisbane this weekend by world leaders who are strongly supporting raising household incomes as a means to stimulate their economies.

"Other G20 participants are advocating for inclusive growth, increased wages and targeted spending on social protections," said Ms Kearney.

"Yet the Abbott Government is doing the exact opposite by attacking domestic wages and conditions and pursuing an agenda of savage cuts to social infrastructure, including health and education.

"Economic modelling prepared for the L20 shows that a coordinated mix of wages and investment policies in G20 countries could halve the global jobs gap and create up to 5.84 per cent age points more growth in G20 countries, compared to business as usual.

"We have the USA trying to increase the minimum wage, Germany is trying to legislate for one and yet Australia's Government is considering a plan to cut the minimum wage every year for ten years and cut real wages now.

"The Abbott Government's agenda will see a harsher, less equal Australia with a significant decline in living standards.

"Sharp and growing inequality is bad for growth, a point now recognised by international institutions including the IMF and World Bank."

Measures to reduce inequality and boost economic growth will be on the agenda at the L20 summit in Brisbane this week on Thursday 13th November and Friday 14th November.

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Economic modelling prepared for the L20 by Professor Ozlem Onaran, University of Greenwich <http://www.ituc-csi.org/the-case-for-a-coordinated-policy> (English)