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Inflation jump strengthens case for higher wage rise and vehicle allowances

Australian Unions have flagged that lower-paid workers will need higher wage increases to help deal with worsening inflation caused by higher petrol prices stemming from the war in the Middle East.

Today's ABS figures show that Australia's headline inflation rate rose 4.6% in the 12 months to March, up from 3.7% in February.

Unions caution this year's Annual Wage Review claim will need to be increased beyond the initial 5% claim because soaring petrol prices are on the brink of wiping out the entire wage claim.

The Annual Wage Review wage claim impacts nearly 3 million workers whose pay is set by awards, but also benefits all working Australians, by setting a minimum wage floor under the entire wages system.

A 32.8% lift in petrol prices was the main driver of the rise in inflation over the month to March, with a large increase in the average price of unleaded petrol from 171 cents per litre in February to an average price of 228 cents per litre in March.

The result also highlights the urgent need for an immediate increase in vehicle allowances so that workers who use their own vehicles to get to worksites or to support vulnerable clients can afford to turn up for their shifts.

Quotes attributable to ACTU President, Michele O'Neil:

"Workers are getting squeezed at the bowser, at the checkout and when they pay their bills. Today's inflation figures strengthen the union movement's case for stronger minimum wage increases and vehicle allowances that keep up with the cost of living.

"Working people should not go backwards because of a conflict overseas. They were not responsible for petrol prices surging more than 30% in a month, and they should not be punished for that with a real wage cut.

"Even before this, workers on award wages remain behind from the last spike in inflation after Covid, and despite progress over the last few years, they have not caught up.

"Unions will be watching closely for any companies using rising costs as cover to price gouge. Workers do not want another situation where big companies profit during a war while everyone else is told to tighten their belts.

"Australians remember supermarkets using the cover of inflation during the pandemic to raise their prices and fatten their profits. We do not want a repeat of that sort of greedy profiteering.

"Without a fair increase to vehicle allowances, fast food delivery drivers, aged care workers and disability support workers will continue paying out of pocket for using their own vehicle just to do their job. We need to see the fuel allowance for workers go up urgently.

"Employer groups will say that any wage rise will put pressure on inflation – like they do every year – despite the fact that they have consistently been wrong. Workers are still 4 percent behind in their wages from where they were in 2022."

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