

# Australian election features “wage growth” sham

John Davis, Socialist Equality Party Senate candidate for Queensland  
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One of the biggest frauds of Australia’s election campaign—alongside those of “record low unemployment” and “COVID is over”—is that a trade union-backed Labor government would lift real wages to address the worsening cost of living crisis.

Until the election is over, both Liberal-National Coalition Prime Minister Scott Morrison and Labor Party leader Anthony Albanese are seeking to hide the reality facing millions of workers, especially young workers.

Prices for all essentials, including electricity, are skyrocketing, and real wages will continue to fall, as they have for the past decade, while profits grow, feeding the expanding fortunes of the billionaires.

For all the government’s false claims that supposedly low levels of unemployment will eventually lead to upward pressure on wages, the opposite is happening. Jobs are only being “created” because workers are being pushed into increasingly insecure and low-paid forms of employment.

More than four million workers—about a third of the workforce—are now in temporary, casual or contract positions. Growing numbers have to work multiple jobs to try to make ends meet. They confront soaring prices for petrol, rent, childcare and fresh food, and rising mortgage interest rates on record levels of household debt.

Inflation is rising globally as a result of governments and central banks having poured trillions of dollars into the financial markets, the worsening global COVID pandemic and the US-NATO instigated war against Russia in Ukraine.

The resulting social disaster is triggering mass protests and strikes around the world, and a strike movement is starting to erupt in Australia, with stoppages by aged care workers, nurses, teachers, university workers, bus drivers, local council workers and others.

Labor is working with the unions in a desperate attempt to keep a lid on this explosive situation by holding out

false hopes of relief under a Labor government.

In a Twitter post on May 9, Labor leader Anthony Albanese said there were two approaches to wages growth at the election. Morrison and his government “want low wage growth to be a key feature of their economic architecture” but Labor does not want “people to be left behind.”

That sham was exposed the day before, during the May 8 televised “debate” between Albanese and Morrison. Asked if he could offer a guarantee that wages under a Labor government would rise faster than inflation and stop the erosion of living standards, Albanese refused point blank to do so.

Instead, the Labor leader said real wage increases were merely an “objective” and “we will try to do what we can.” That was despite saying the minimum wage was just \$20.33 an hour and wages had “flat lined” for a decade.

While Morrison refused to even say that workers should at least be paid the minimum wage, Albanese said Labor would not support any increase in the minimum wage above the current official inflation rate of 5.1 percent. Any increase would depend on a ruling by the Fair Work Commission (FWC), he said, a pro-business tribunal that has presided over falling real wages since it was established by the last Labor government.

This means that low-wage workers will fall further behind. Last week, the Reserve Bank of Australia, speaking on behalf of the financial elite, predicted inflation would reach 5.9 percent by the end of this year. It expected real wages to continue to go backward until at least December 2023.

Even this disguises the fact that price rises for “non-discretionary” items—those that working class households are struggling to pay for—already hit 6.6 percent over the past year.

This week, energy analysts warned that another big

household bill, power prices, would rise by up to 10 percent within weeks of the May 21 election, no matter which parties formed government. That was because the average wholesale power price rose in the March quarter by 141 percent from a year earlier, and has increased since.

The truth is that Labor is equally committed to the “economic architecture” of low wages as the Coalition—that is, subordinating workers to the profit requirements of employers.

Last week, Labor reversed a previous promise to review the sub-poverty level of the JobSeeker unemployment benefit. That sends the clearest signal to big business that a Labor government will match the Coalition in cutting welfare payments in real terms to coerce workers into low-wage and insecure employment with poor conditions.

Labor has also refused to lift the wages of some of the lowest-paid workers, those employed in shocking conditions in the aged care industry—over-worked, casualised and COVID-plagued.

Labor shadow minister Catherine King this week refused to endorse even a pitiful union claim for a 25 percent pay rise—which would only take personal care workers to around \$29 an hour. Labor has again said it would leave the issue up to the FWC.

Seeking to downplay his refusal in the “debate” to guarantee wage rises, Albanese told reporters on May 9 he was “very confident” that wages would grow through consultation with business and the unions. “The key to lifting wages is lifting productivity,” he said.

“Increased productivity” basically means driving up the rate of exploitation of workers’ labour power. It has been the demand of the employers and successive governments for many years, enforced by the unions: all wage rises, even below the rate of inflation, must be “paid for” by ratcheting up output at the expense of workers’ jobs, hard-won conditions and basic rights.

One of the first things Albanese said he would do is convene a “full employment summit” with business and union leaders. That is an attempt to reprise a similar summit convened by the incoming Hawke Labor government in 1983, which laid the basis for its prices and incomes Accords with the unions.

Through those Accords, the unions helped the Hawke and Keating Labor governments of 1983 to 1996 impose sweeping pro-market restructuring and repressive industrial relations laws that only permit workers to strike over wages and conditions during narrow union-controlled “enterprise bargaining” periods at isolated

workplaces.

This “economic architecture” has produced the biggest fall in labour’s share of gross domestic product compared to profits in the post-World War II period, down from around 56 percent in 1983 to about 47 percent by 2018, a trend that has accelerated during the COVID-19 pandemic.

The unions, working closely with successive governments, have policed the employers’ offensive by straitjacketing workers in the enterprise bargaining system and its anti-strike laws—all based on satisfying the profit demands of employers.

Addressing a business lunch last week, Albanese made another pitch for corporate support for a union-backed Labor government as the only means to contain the working class. He specifically invoked the legacy of Hawke and Keating, praising their Labor “convictions” in “private wealth and private reward.”

This record, and Labor’s pledge to deepen it, underscores the necessity for the socialist program of action being advanced by the Socialist Equality Party in this election.

The SEP is urging the creation of rank-and-file committees throughout workplaces, schools and working-class communities as the means to break out of the shackles of the unions and advance workers’ demands.

The SEP proposes an immediate across-the-board 30 percent pay rise to compensate for past erosion and the indexation of all wages to the real cost of living. We demand full-time, permanent jobs on decent wages and conditions for all who are able to work, and a living wage for all those unable to work.

The wealth and resources exist in abundance for such measures, but they must be taken out of the hands of the corporate elite. That means fighting for a workers’ government to nationalise the banks, finance houses and major corporations under the democratic control of the working class.

We encourage workers who agree with this perspective to contact the SEP today.

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