

Solving the Crisis

Raising the
living standards of
Australian workers

**Edited by Lisa Heap
with Fiona Macdonald
and Charlie Joyce**



ISBN 978-1-7642205-3-8

Published by Carmichael Centre at the Centre for Future Work
Australia Institute

This resource is available online at www.carmichaelcentre.org.au

Solving the Crisis: Raising the living standards of Australian workers

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Published August 2025

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About the Centre for Future Work

The Centre for Future Work is a research centre, housed within the Australia Institute. The Centre conducts and publishes progressive economic research on work, employment, and labour markets. It serves as a unique centre of excellence on the economic issues facing working people: including the future of jobs, wages and income distribution, skills and training, sector and industry policies, globalisation, the role of government, public services, and inequalities and discrimination. The Centre develops timely and practical policy proposals to help make the world of work better for working people and their families.

www.futurework.org.au

About the Carmichael Centre

The Carmichael Centre is named in honour of Laurie Carmichael, the legendary manufacturing unionist who passed away in 2018.

Amongst other activities, the Carmichael Centre hosts a three-year Distinguished Research Fellow, who conducts and publishes research on themes related to Carmichael's legacy. These research themes include industrial relations, social policy, manufacturing and industry policy, vocational education, and international labour solidarity.

The Carmichael Centre lecture is held annually, with a prominent labour leader speaking on Carmichael's legacy. The Carmichael Centre also hosts a digital archive of Carmichael's writings and other contributions to public discourse.

www.carmichaelcentre.org.au

The Carmichael Centre's research is supported in part by the Victorian Government.



Acknowledgements

The editors and the team at the Centre for Future Work would like to express our gratitude to everyone who helped in the production of this publication.

We would like to particularly thank the workers who provided their lived experience of the crisis and who inspired our efforts.

Thanks also to all participants at the *2024 Living Standards* symposium who shared generously their ideas, passions and dilemmas and who encouraged us to produce this publication.

Above all thanks to all our contributing authors who gave generously to both the symposium and to this publication.

The views expressed by contributing authors are their own and do not necessarily reflect the views of the Centre for Future Work. All conclusions and any errors that appear are the authors' and editors' own.

The Carmichael Centre/Centre for Future Work Team at the 2024 Living Standards Symposium



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Introduction

- Dr Lisa Heap and Dr Jim Stanford

In the wake of the COVID-19 pandemic and subsequent upsurge in inflation, Australia has been gripped by a severe crisis in living standards. This crisis is not simply the result of increasing costs, although those have been painful. Declining living standards also reflect falling real wages, growing inequality, eroding public services—and a policy response that didn't meet the challenge of the moment, and in some cases made things worse.

Rapid inflation after the pandemic, combined with rising interest rates and slow wage growth, left many Australian households struggling to afford necessities. While official inflation figures capture broad economic trends, they fail to fully reflect the real pressures experienced by working people—particularly when it comes to essentials like food, housing, and energy. Worse still, interest rate hikes by the Reserve Bank of Australia (RBA) increased mortgage repayments and other debt charges, adding even more strain on household budgets.

The traditional economic response to inflation—monetary austerity—has proven both blunt and harmful in Australia. By deliberately slowing the economy to control inflation, the RBA ignored the root causes of Australia's post pandemic crisis: rising corporate profits, unjustifiable price hikes, and deep wage stagnation. As a result, many Australians were caught in a double bind—punished by both inflation, and by the responses meant to contain it.

Recent macroeconomic trends provide reason for some optimism. Despite punishing interest rates, Australia narrowly avoided an official recession. Economic growth and job-creation has modestly recovered, inflation has slowed dramatically, and wage growth has picked up notably—so that wages are now growing faster than prices, starting to repair some of the damage to real wages experienced during the initial outbreak of inflation.

Nevertheless, while prices are growing more slowly, the levels of many prices remain too high—especially for necessities like food, housing, and energy. At the current pace, it will take several years to repair real wages, and restore the same purchasing power for workers they enjoyed before the pandemic. The quality of public services (another critical determinant of living standards) has been damaged by underfunding and overreliance on privatised provision. Meanwhile, global economic and geopolitical uncertainty arising from U.S. President Trump's erratic actions threatens to derail this modest recovery before it really gets going.

In short, too many Australians are still experiencing lower living standards after the turbulent events of the past five years. They can ill afford another round of unemployment, austerity, and uncertainty. For that reason, it's as important as ever that all components of civil society—governments, unions, community organisations, academia, and more—continue working to develop policies and practices that can repair living standards, strengthen our communities, and protect our democracy.

An initiative to capture new big ideas



To counter the trajectory towards increasing inequality and division, the Carmichael Centre at the Centre for Future Work launched a wide-ranging research and policy development initiative. Our aim was to deepen understanding of the crisis in living standards, challenge unfounded and divisive economic narratives, and chart a fairer, more sustainable course for Australian workers, families, and communities.

Many Australians were experiencing hardship and hopelessness. Our communities and our democracy were threatened by racism, misinformation, and extremism. Established powers—from corporations who pocketed record profits through the pandemic and its aftermath, to the RBA which blamed the victims of inflation for its effects—ignored the full dimensions and true causes of the crisis in living standards. A more balanced and hopeful narrative about the causes of the crisis, and how to solve it, was badly needed.

Our Living Standards initiative had several elements. First, the 2024 Carmichael Lecture delivered by Professor Emeritus Allan Fels AO—former Chair of the Australian Competition and Consumer Commission (ACCC)—outlined how unchecked corporate power and profit-seeking behaviour have driven up prices across the economy. He called for stronger government regulation to combat price gouging and protect consumers.

Then, to understand how cost of living increases were impacting on Australian workers, we conducted a national survey of over 1,000 Australians about their experiences and opinions regarding prices, living standards, and alternative policies. We supplemented that quantitative survey data with in-depth qualitative interviews with individual workers. The survey results and personal stories helped bring to life the everyday challenges of inadequate wages, rising debts, and declining public supports, painting a clearer picture of growing economic stress across the country. We compiled this evidence in a report, *Doing it Tough*, and a video of workers' testimonies—further capturing workers' lived experience.

Finally, we hosted a day of dialogue between activists, researchers and civil society groups: our '2024 Living Standards Symposium' held on 17 October 2024. The goal of our symposium was to create an opportunity for people from many walks of life to come together, share experiences and common interests, and develop policy alternatives to the crisis that avoid division and conflict in Australia. The dialogue at the symposium focused on practical ideas—like investing in public housing, improving collective bargaining, and reinvesting in services. Contributions and outcomes from the symposium are incorporated in this publication.

Throughout this Living Standards initiative we have shown there are better, fairer alternatives to managing economic challenges than simply tightening workers' collective belts. By centering workers' experiences and building a robust evidence base, we have mapped a path to a progressive economic agenda that lifts living standards, reduces inequality, and strengthens democracy.

This publication: A tool to understand the cost of living crisis and how to repair living standards

This publication brings together proposals for change identified in our year-long inquiry into living standards in Australia. The publication distils key research and policy analysis, taking a common-sense and accessible approach so that everyone can understand Australia's living standards crisis. Our aim is to provide tools for working people to help cut through economic misinformation and political spin, offering a clear lens on the structural factors that have driven inequality and declining living standards. In this publication we push the boundaries of policy debate and provide positive ideas for reform that workers can get behind.

Combining high-level research and common-sense analysis, some of Australia's leading progressive thinkers tackle the big issues—identifying the real problems and proposing innovative solutions. They identify policies and actions that will lead to rising real wages, better quality jobs, greater assistance and respect for those seeking employment, stronger public services, fair and affordable housing, and a well-planned and supported transition to renewable energy sources. Key to achieving the goals set out in this publication is building an inclusive movement to unite working people in a powerful movement to protect their living standards.

The core of the publication consists of four major policy papers examining the main drivers of inequality and deteriorating living standards in Australia. In the first paper Greg Jericho takes a sharp look at how the narrow conventional approach to controlling inflation has failed working people. Instead of asking **why** Australians are struggling to make ends meet, the RBA adopted a very one-sided approach to inflation: claiming it was caused solely by "excess demand" (a euphemism for "workers having too much money").

The RBA suppressed household spending power through aggressive rate hikes, while ignoring the true causes of inflation (like corporate pricing power and a speculative, financialised housing system). Greg calls for a major shift in economic thinking—starting with the RBA acknowledging its missteps and incorporating strong wage growth into its monetary policy framework. At its core, Greg’s message is clear: without wage growth, there can be no sustainable recovery in living standards. The weakness of wage growth before and during the recent outburst of inflation pandemic made the living standards crisis far worse than it needed to be. It’s time to rewrite the economic playbook—and put working people at the centre of our policies, by finding new and more balanced approaches to managing inflation.

In the second paper Thomas Greenwell addresses how to increase real wages and enhance workers’ living standards. He argues that the crisis in living standards after the COVID-19 pandemic was facilitated by the decades-long undermining of collective bargaining, and by chronic underemployment and insecure work. Thomas prosecutes a Thomas proposes a comprehensive plan to restore workers’ living standards through expanded collective bargaining coverage, strengthening the award system and significantly lifting minimum wages.

In the third paper Peter Davidson argues powerfully that the growing gap between minimum incomes and average wages is not inevitable. Bold and practical reforms can lift minimum incomes. Drawing on lessons from the COVID-19 pandemic—when poverty fell thanks to powerful income supports, like the Coronavirus Supplement—this paper sets out a clear and achievable plan to reduce income inequality. Peter calls for measures that lift income support payments, lift the minimum wage, rebalance economic policy to prioritise full employment and transform Australia’s broken employment services system. This is not just about economics—it’s about justice. Peter argues that by strengthening the policy foundations of minimum incomes, we can significantly narrow the gap between those with the least and those with the most.

In the fourth major policy paper Charlie Joyce revisits the concept of the ‘social wage’. That is the component of living standards attributable to public services and collective consumption (as distinct from private incomes and private consumption). He asks a critical question: What is the role of public services and income support programs in shaping living standards? His approach provides a broader perspective on the crisis in living standards, than can be gained by focusing mainly on the problem of high prices. Charlie examines how several pillars of the social wage, including Medicare, public education, and housing, have been eroded by decades of insufficient and inefficient funding. He argues that rebuilding and expanding the social wage can raise living standards, promote inclusion, and restore trust in democratic institutions. Charlie advocates for three principles to underpin a stronger social wage: universality, making public services free at point of use, and public delivery.

Together these four papers provide practical policy solutions that could form a platform for economic reform. These contributions are particularly timely as the Albanese Government enters its second term.

In addition to these four major policy papers, the publication contains several other shorter contributions. Lisa Heap provides a summary of the lived experiences of Australian workers captured through our survey and interviews. A reflection on the presentation given by Tim Buckley to the symposium addresses the importance of investing in renewables to address the high cost of energy. An explanation of how power—who has it and how it is exercised—impacts on wage outcomes is given in a reflection on the research of Laurie Carmichael Distinguished Research Fellow, David Peetz. This is a critical dimension of explaining Australia’s uniquely weak wage growth, both before and after the pandemic. Access to secure and safe housing is a human right—one that is not realised for too many Australians. The Honourable Doug Cameron, who co-headed Australia’s first People’s Commission into the Housing Crisis (in 2024), shared his ideas for resolving the housing crisis (as summarised in an interview with Charlie Joyce).

A passionate reflection from philosopher and poet John Falzon is the penultimate contribution to this publication. He stresses the importance of working people uniting to pursue a shared vision of social change, rejecting the divisions created by neoliberal economic and social policy. He challenges us to find the courage to move forward from where we are now, through the battles we are currently waging, and forge a new future together.

The publication concludes with a synthesis of the discussions at the symposium prepared by Tom Barnes and Fiona Macdonald (who acted as Rapporteurs for the day). They succinctly summarise the varied and hopeful options advanced by symposium participants to improve living standards, transform policy and society, and protect democracy.



Final thoughts

A few months after our symposium, the 2025 federal election took place. In it, the Australian people rejected political parties proposing cuts to public services, short-term fixes (like petrol tax cuts), and the politics of division. The election results provide the Albanese Government with a unique opportunity to implement progressive policy changes—such as those contained in this publication.

We welcome the cautious progress that has been made on some of the policy priorities emphasised in our Living Standards initiative. These include labour market reforms that have contributed to stronger wage growth: like real increases in the minimum wage, provisions to support collective bargaining in hard-to-organise industries, and targeted supports for wage gains in early childhood education and aged care. Some of the cost-of-living measures implemented by the Albanese Government (such as energy rebates and expanded renter assistance) also provide important support to hard-hit households. Meanwhile, the easing of interest rates by the RBA—better late than never—will support future growth and job-creation.

Nevertheless, it's far too early to conclude that the living standards crisis is over. Too many Australian households cannot afford necessities of life, like housing, food, and energy. Income and employment programs (including Australia's shamefully low JobSeeker benefits, and scandalously ineffective privatised employment services) remain punitive and inadequate. Threats from Donald Trump and global instability and war could quickly unravel the limited progress that has been made since the worst of post-pandemic inflation. Tariffs and energy price shocks could easily ignite another wave of profit-led inflation—since the price-fixing power of corporations is as strong as ever.

For all these reasons, it is vital for civil society, trade unions, community advocates, and progressive politicians and policy-makers to learn the lessons of the post-pandemic crisis in living standards. By better understanding the true causes of that crisis, and identifying pragmatic and fair solutions to it, we can work to avoid the scapegoating and division that has shaped post-pandemic society in other countries. In that spirit, we advance this publication as a resource for all Australians fighting for a fairer, sustainable, and democratic future.

More details about our Living Standards initiative and additional resources are available at https://www.carmichaelcentre.org.au/living_standards

*The photos in this publication were taken at the 2024 Living Standards Symposium or from the video *Living the Crisis*.*

01

Living the crisis: Australian workers' experience of the 'cost of living' crisis

-Dr Lisa Heap



The dream we were sold as kids was to buy a house and that's just not something I think I will ever be able to do.

-Lara, student and casual worker

The cost of living crisis in Australia comprises two interrelated challenges: stagnating incomes and escalating prices. This duality – termed the “two faces” of the crisis by economist Alan Fels – underscores the need for a multifaceted policy response.¹ Australians are feeling the pressure on both fronts. While prices for basic goods and services rise, household incomes have failed to keep pace, diminishing real purchasing power, and exacerbating financial insecurity.

Throughout 2024, the Carmichael Centre at the Centre for Future Work embarked on a multi-dimensional research and policy initiative documenting the impact of the cost of living crisis in Australia and exploring ways to improve living standards. As part of this initiative, we explored workers' lived experiences of the crisis. This captured the ways that workers have navigated increases in the costs of essential goods and services, falling real wages, inadequacy of social supports, and the accessibility and affordability of housing, healthcare, energy, and transport. Our goal was to better understand the experience of Australian workers and through this develop new policy responses that can contain inflation and promote equality.

Through in-depth interviews, we documented the lived experiences of workers from diverse backgrounds, areas of work, and personal circumstances. We also conducted a national poll of a representative sample of over 1000 adults. This 'dialogue' produced insights into how Australians were experiencing the crisis. The following is a summary of some of the key findings from this dialogue.

Incomes: Not keeping up

Since the Covid-19 pandemic, the acceleration of inflation has undermined the real purchasing power of most workers.² One of the clearest findings from both interviewees and survey respondents was that they felt that their incomes had not kept up with their everyday costs.

Thinking about whether I have enough money to survive is definitely on my mind a lot.

-Scarlett, student and part-time worker



The overwhelming majority of those surveyed (72%) reported that their income had grown slower or much slower than prices over the preceding year. The impact of the rising costs on lower incomes was felt most intensely by those on lower incomes: over 50% of those earning under \$60,000 reporting that their income had grown much slower than prices, compared to 33% of households earning more than \$100,000. People who rely mostly on government income supports (like JobSeeker or the Age Pension) were most likely to report that their incomes had grown much more slowly than prices. For example, 77% of those on government income supports reported their income had grown more slowly, or much more slowly, than prices.



I feel like I am going to be trapped into poverty due to my own health and disabilities and my child's health and disabilities.

-Raquel, full-time carer and casual worker

Differences were also evident between men and women's experience of the impact of raising costs. Whilst more than half (53%) of Australians reported that their household financial situation was worse than it was in the two years prior to the survey, women were significantly more likely than men to report worsening financial circumstances: 31% of women said their finances were "much worse," compared to 13% of men. These differences highlight the gendered dimensions of economic hardship, compounded by the unequal pay, caregiving responsibilities, and job insecurity often experienced by women.



Visible price pressures

The rising costs of groceries were the most visible and impactful of costs.



We are spending about twice as much (on groceries) and getting much less value for that money.

-Chris, full-time worker

When asked where they most noticed price increases, 60% of survey respondents pointed to groceries. Utility bills (21%) and transport costs (7%) were also frequently mentioned by survey respondents and those interviewed. These findings align with public concern and media scrutiny of supermarket pricing practices and energy providers.³ Price increases in these essential areas contribute significantly to the lived experience of economic stress and highlight the importance of regulatory action in curbing profiteering and ensuring affordability.

I'm lucky I have an above average income, but I don't necessarily see the immediate benefits because I feel like I'm just breaking even a lot of the time.

-Pia, full-time worker



Coping mechanisms and self-reliance

Faced with increasing financial pressure, the Australians we spoke to and surveyed adopted a variety of strategies to manage. Drawing down on savings or superannuation was the most common approach, adopted by survey respondents. Taking on additional work was another way to manage. Nearly 20% of those surveyed reported working more hours in their current job, while 15% took on an additional job. Many respondents also took to borrowing money to cover living expenses, either through financial institutions or informally via family networks.

Many interview participants and survey respondents also reported they had cut back on both discretionary and essential spending. Interviewees indicated that this included cutting back on healthy grocery items such as fresh fruit and vegetables. This strategy of cutting back on essential spending was also confirmed by survey participants, with 37% having spent less on home heating and cooling, 29% on healthy food, and 26% on doctor visits.



I love fruit. I love vegetables. I wish I could buy more of them and have a healthier diet but it's just not the case at the moment.

-Scarlett, student and part-time worker

This data underscores the severity of the crisis. Households are not merely adjusting preferences but making sacrifices that may impact long-term health and wellbeing. While these responses reflect the resilience and self-reliance of Australian households, they also raise concerns about long-term health, financial security, and retirement readiness.

Me and my partner have discussed how we would like to progress (in our relationship) but we have to be realistic – Can we afford kids?



-Jamie, full-time worker



Who is to blame?

When survey respondents were asked who should be held responsible for the crisis, they overwhelmingly blamed supermarkets (83%) and energy companies (82%). Banks (73%) and government (71%) were also seen as bearing significant responsibility. In contrast, only 32% believed that workers and their wage demands contributed to the crisis. These responses directly contradict mainstream economic narratives that attribute inflation to a wage-price spiral, indicating a more nuanced public understanding of economic conditions.

For those whose personal or family circumstances restrict their ability to work, the inadequacy of income supports exacerbate the impact of increasing costs.



I should have opportunities in the future, but I feel like unless something changes, I feel trapped in this cycle of poverty, of barriers to work, barriers to health care. I really really hope there can be changes in policy and a better understanding of unpaid carers and what they are going through.

-Raquel, full-time carer and casual worker

Policy preferences and solutions

Reducing costs through lowering utility costs and increasing competition amongst supermarkets were amongst the strategies that participants identified as critical to addressing cost of living pressures. Reducing medical costs and accelerating wage growth were also identified as essential to alleviating cost of living pressures. While 48% of respondents to the survey saw tax cuts as important, it ranked lower than structural reforms aimed at controlling costs and improving wages. These responses suggest that Australians favor a holistic, multi-dimensional approach rather than relying solely on interest rate or tax changes.

The increase in the cost of living just goes up and up and up and I don't see where it ends. What has to happen to bring it back to a level playing field?

-Pia, full-time worker



Conclusion

Our 'dialogue' has produced compelling evidence of the economic challenges facing Australians. As prices have risen faster than incomes, people have cut back on essentials, working more, and depleting savings to stay afloat. Lower-income households, those on income supports and women are disproportionately affected, revealing inequities that must be addressed through targeted policy responses. Importantly, Australians are not convinced by narratives that blame workers (through rising wages) for inflation. Instead, they demand action on multiple fronts.

The details of how the survey was conducted and an in-depth analysis of the results is available in the report: Heap (2024) *Doing it Tough: How Australians are experiencing a cost of living crisis*, <https://futurework.org.au/report/doing-it-tough/>.

A short video, *Living the Crisis* captures the testimonies of some of the interview participants. It is available at https://www.carmichaelcentre.org.au/living_standards



¹ Fels (2024) *Power, Profits and Price Gouging: Third Annual Laurie Carmichael Lecture*, RMIT University, 5 September 2024.

² Jericho & Stanford (2024) *Briefing Paper: The Irrelevance of Minimum Wages to Future Inflation*, <https://australiainstitute.org.au/report/the-irrelevance-of-minimum-wages-to-future-inflation/>

³ Fels (2024a) *Inquiry into Price Gouging and Unfair Pricing Practices Final Report*, <https://pricegouginginquiry.actu.org.au/>

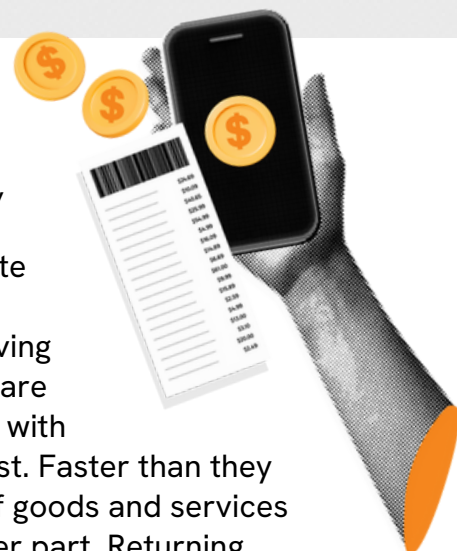
02

To grow living standards we need higher wages

-Dr Greg Jericho

What is the impact on living standards in Australia if our economic policy only looks at inflation and ignores what's happening with wages? In this contribution Greg Jericho explores how focussing on inflation figures, without also examining what's happening with wages, has resulted in Australians doing it tougher than they should have. His solution? A Reserve Bank of Australia (RBA) that acknowledges that it got it wrong when it ignored the evidence that inflation was not being driven by wages but by corporate profits. And, promoting wages growth through public sector wages policy, increasing the spread of enterprise bargaining, lifting minimum wages, and addressing undervaluation of female dominated areas of work.

The cost of living has been at the top of the minds of politicians, economists and households alike over the past 3 years. During this time the price of goods and services have increased at a rate not experienced for over 30 years. While it is tempting to focus only on inflation (costs), doing so ignores the other side of the living standards coin, wages. Caring only about prices, whether they are growing fast or slow, is akin to a business only concerning itself with revenue and not expenses. Yes, since 2021 prices have risen fast. Faster than they have for more than three decades. However, the rise in costs of goods and services is only part of the problem. The decline in real wages is the other part. Returning inflation to lower levels is not enough if wages are restricted from growing at a pace that will recover the loss in real wages Australians have experienced.



That's why we should say we are having a living standards crisis rather than just a cost of living crisis.

Slow wage growth is the problem

Prior to the COVID-19 pandemic there was little focus on inflation and the cost of living. In the years after the Global Financial Crisis (GFC), from December 2014 to the March quarter of 2021, Australia's official consumer price index was below 2% in 23 out of 26 quarters. Ironically, this lack of inflation, rather than its abundance, was a concern amongst some economists. Whilst at the time political parties continued to argue that they would be better at preventing cost-of-living rises, for the most part cost of living was not a major electoral issue. Instead, the more pressing issue was the level of wages growth.

For a significant period, sluggish wages growth has been a concern. Between March 2011 to March 2017 private sector wages growth declined from 4% to a record low of 1.8%.¹ Even the RBA was worried about this long period of slow wages growth. The RBA argued for stronger wages growth with then RBA Governor, Phillip Lowe, stating in 2019 that

"a gradual lift in wages growth would be a welcome development."²

Whether workers are doing it tough or not depends on what's happening with 'real' wages not just whether costs are rising too fast or too slow. When we talk about real wages we are referring to income expressed in terms of purchasing power (that is counting for raises in the cost of goods and services). Therefore, any discussion about the costs of living should not be de-coupled from a discussion about what is also happening with wages. For example, in the year to March 2017 inflation (costs of living) had fallen but wage growth had fallen further. Real wages, the purchasing power of workers, fell 0.3% in real terms. A focus solely on costs, without considering what is also happening with wages doesn't help workers pay for the goods and services they need.

Employers wanted wages to go even lower

Employer and business groups will often argue to hold back wages even if inflation is low. Using the 2017 example above, despite real wages falling at the time, in the 2017 Annual Minimum Wage Review the Australian Chamber of Commerce and Industry, argued that the minimum wage increase ordered by the Fair Work Commission (FWC) should be no greater than 1.2%. This low rate was proposed by the Chamber even though it noted that underlying and headline inflation was below 1.5% across 2016.³ The Master Grocers Australia proposed just a 1.1% rise in the minimum wage.⁴ With inflation well below the RBA's target range, there was no risk of a larger wage increase causing significant problems. However, major employer groups still argued for an increase that would mean the real wages of Australia's lowest paid workers would continue to fall.

Why we need to worry about costs AND wages

The following two scenarios explain why it is important to address both costs and wages when looking at the impact on workers and the economy.

In Scenario 1: inflation rises at an average of 3.0% over 5 years, and during that same period private-sector wages each year rise on average 3.7%.

In Scenario 2: inflation rises at just 1.7% on average over 5 years, while at the same time private-sector wages rise 2.1%.

In Scenario 2 'cost-of-living' has been improved. Indeed prices are rising by almost half the speed they were in the first scenario. That would appear to be a win. Inflation is low, problem solved.

Yet workers were actually better off in Scenario 1. Real wages in the first scenario rose on average 0.7% each year, while in the second scenario they rose just 0.4%.

This is not hypothetical – it is what occurred in the 5 years from June 2006 to June 2011 (Scenario 1) and then from December 2014 through December 2019 (Scenario 2).

This is why merely concentrating on getting inflation back to within the RBA's 2% to 3% target range does not fix the problem of a decline in living standards.



We are not all economists or central bankers

Some economists and central bank folk might like to focus on inflation targets and getting inflation into a particular target range. However, this ignores how the everyday person experiences increases in the costs for goods and services.

For example:

If the price of a basket of goods that initially cost \$500 rises 7% in a year, it increases the cost to \$535.

If in the following year the prices of the basket of goods rises 5%, that makes the cost now \$561.75.

If then in the final year we see an increase of prices of just 2.5% (and thus in effect within the RBA's target range) that means the cost of the basket is now \$575.80.

An economist might look at that and declare victory over inflation as the prices are now only increasing at 2.5%.

But for the person buying those goods, the problem is the full 15.2% increase. A \$75.80 increase in the cost of the basket.

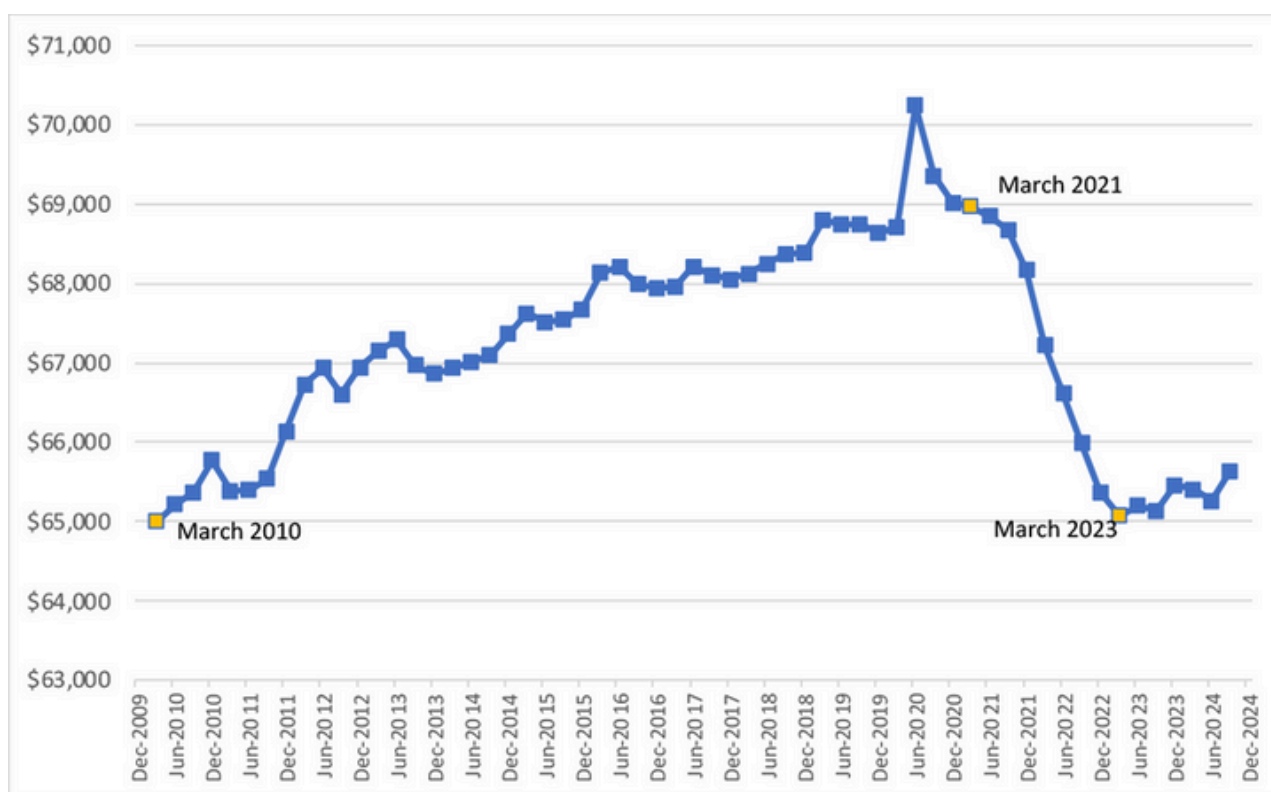
The impact of this increase in the cost of the basket of goods is exacerbated if the person buying those goods has not received a wage increase or if the wage increase is below the price increase.

Wipeout

Caring only about inflation growth ignores the cumulative impact of price rises and the negative impact on living standards. Consider that over the decade from March 2010 to March 2021, average real wages of Australian workers rose 6.1%. For a worker on the average full-time earnings in March 2011 of \$65,000, this was the equivalent of nearly \$4,000 extra purchasing power in 2021. That means it took in effect 10 years for the value of the average wage to grow to the point that you could afford to buy the equivalent \$4,000 extra goods and services with your wage.

Then in the following 2 years (March 2021- March 2023) the gains in wages were completely wiped out. By March 2023 real wages had fallen so sharply that the average worker's wage had only the same purchasing power as it did 13 years earlier. Figure 1 shows this trajectory of real wages in Australia. It shows a decade of improving real wages, prior to 2021, being wiped out in 2 years.

Figure 1. Real wages (March 2010 dollars)



Source. ABS, Wage Price Index and Consumer Price Index

As you can see in Figure 1 real wages have been increasing since 2023. In the year to September 2024 real wages rose 0.8%. This is a solid result. However, all that means is that rather than having the purchasing power of the average worker in March 2010, the average wage earner can now buy as much as they could in September 2011.

Yes, real wages are growing again, but the purchasing power remains only as good as it was 13 years ago. A worker who in 2010 was on \$65,000 is still the equivalent of \$3,333 worse off than they were in March 2021.

RBA approach outdated

In recent times the RBA has focussed only on inflation and has an outdated view that inflation is primarily demand driven (caused by people spending). The RBA solution has been to raise interest rates to curb this expenditure. This view of the problem, and the RBA solution, ignores the fact that domestic demand has not driven the increase in price of goods and services since the pandemic. The increase in the costs for goods and services since the pandemic has been caused by an increase in corporate profits and factors impacting on the supply of goods and services. Forcing higher interest rates, to curb spending, particularly at a time when real wages have declined has caused unnecessary pain for workers.

The RBA needs to be better at diagnosing the problem before it crafts a solution. During the mining-boom period of the 2000s, when Australia's inflation rose, the RBA increased the cash rate 12 times from 4.25% in April 2002 to 7.25% in March 2008, to dampen demand. The cause of inflation in Australia during this period was obvious – increased money in the economy due to the mining boom and generous tax cuts by the Howard Government. These tax cuts set off a large increase in domestic demand and household consumption.

The most recent increase in inflation was not driven by the same domestic factors (like mining revenue and tax cuts) that were in play in the 2000s. Rather than inflation being driven by increases in household incomes and expenditure the opposite is true. Real wages fell, so too did household incomes and household consumption. Income and consumption were recovering from the pandemic shutdowns but remained below pre-pandemic levels. Household demand was less than what would have been expected if the trend from 2010-2019 had continued. However, prices were rising faster than they did during the mining boom when household consumption soared. The fast rise in the prices post pandemic was not due to domestic factors and yet the RBA reacted much as it did during previous demand-driven inflationary periods.

RBA ignores the evidence

The RBA refused to accept the research from both Australia and across the world that showed that corporate profits were driving inflation. In July 2022, in published research, Australia Institute economists identified that national accounts figures revealed that corporate profits accounted for about 60% of inflation at that time.⁵ Further research, also by the Australia Institute, countered claims by business groups that profit shares were at 20 year lows and not significantly responsible for inflation.⁶ Using data from the national accounts, replicating work by the European Central Bank and other international researchers, the Centre for Future Work identified that excess corporate profits accounted for 69% of additional inflation beyond the RBA's target, whilst rising unit labour costs accounted for just 18% of that inflation.⁷

Despite the work by the Australia Institute and the Centre for Future Work, replicating the research done by multiple reputable institutions in Europe and the United States, the RBA continued to argue these findings were not relevant to Australia. The RBA stated that there was "little evidence that there has been a broad-based increase in domestic non-mining profit margins, suggesting that changes in domestic profit margins have not been a significant independent cause of the increase in aggregate CPI inflation".⁸

The RBA considered that an increase in non-mining corporate profits⁹ of around 1.5% of GDP was insignificant. This equates to around \$38 billion, hardly an insignificant amount. The Australia Institute and Centre for Future work showed that this increase in corporate profits was reflected in a strong increase in the share of GDP going toward

corporations at a time when household living standards were falling. Evidence of the link between corporate profits and inflation was confirmed when inflation trended down at the same time as unit profit costs reduced in 2023. The RBA had misread the situation.

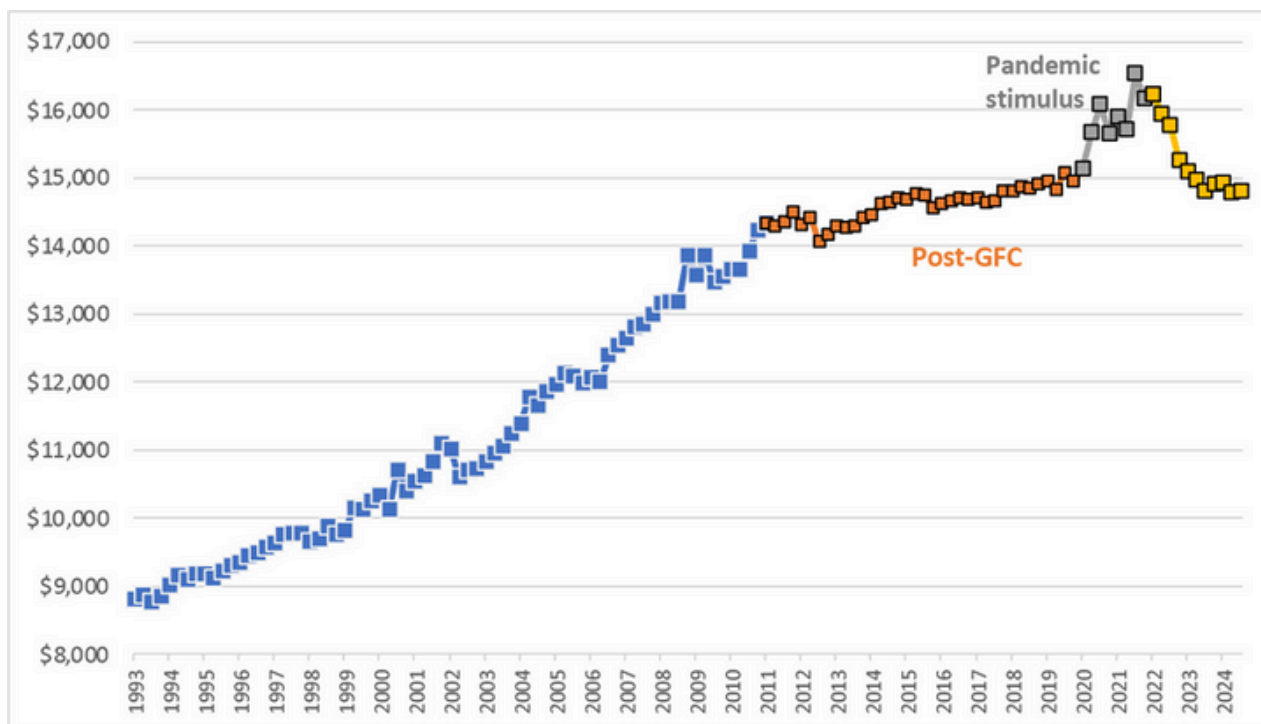
RBA action creates pain for mortgage holders

Having diagnosed the problem incorrectly the RBA's solution was problematic. Rather than acknowledging that rising inflation was due to corporate profits and supply-side issues largely occurring due to the end of the pandemic, the RBA put all its focus on reducing demand and labour costs. This was even though real unit labour costs at the peak of inflation in the December 2022 quarter had fallen 2.6% in the previous year and were 5.9% lower than they had been prior to the pandemic in December 2019.

By placing the blame on demand side (wages), the RBA acted by raising the cash rate from 0.1% to 4.35% over the course of 18 months.¹⁰ The RBA increased interest rates even when rates of underlying inflation fell and household spending was flat. This slowed the economy. Over the 2 years from March 2023 Australia's annual GDP growth fell from 2.7% to 0.8%.

In its attempt to crush an excess demand that was not there, the RBA inflicted great harm on households. It caused nearly half of the fall in living standards as defined by real household disposable income per capita (Figure 2). From the middle of 2022 until the end of 2024, mortgage repayments made up half of the increase in the cost of living for employee households. From March 2022 to the end of 2024, real household disposable income per capita fell 8.8%. If mortgage payments are excluded the fall in real household disposable income was just 4.5%.

Figure 2. Quarterly gross household disposable income per capita



Source: ABS National Accounts.

The calamity of the fall however was exacerbated by what had come before; the slow growth in real household living standards in the period March 2011 to March 2020 -a period of slowing wages growth. Thus, the importance of looking at both wages and costs when managing the economy.

Public policies are needed to improve living standards

It is clear that 'market forces' will not deliver better wages and higher living standards. Already we are seeing the growth in wages falling, even with unemployment at historically low levels and inflation within the RBA target range. Public policy can assist in addressing the decline in living standards by facilitating a growth in real wages.

Increasing the spread of enterprise bargaining is one mechanism to help raise wages. Before the pandemic the number of employees covered by enterprise agreements had declined significantly. Since then, the Albanese Government made amendments to the Fair Work Act (FWA) to allow for multi-employer enterprise agreements in low-paid areas of the labour market – early childhood education has been one of these.

The new 'Same Job Same Pay' changes to the FWA that allow labour hire workers to apply for orders giving them the same pay and conditions as directly hired workers performing the same role has also led to an increase in employees covered by enterprise agreements and substantially higher wages. Supporting the Fair Work Commission (FWC) review of awards in female dominated areas of work, which is designed to remove undervaluation and therefore increase wages of some of the lowest paid workers in Australia, is another way the government can help to raise wages and improve living standards. As is supporting a lift in award wages in the FWC Annual Minimum Wage Review.

As the biggest employers in the country, national and state governments can also assist with raising living standards by increasing the pay of their employees. A decade of austerity in which governments have enforced public sector wage caps has contributed to the decline in living standards of workers. Thankfully it appears that governments have got the message and are removing these caps which have restrained wage outcomes from enterprise bargaining.

Recovering lost living standards

If we only return to the same level of growth that occurred prior to the pandemic, not only will it take a decade at least to recover our lost level of real wages, and only slightly less to recover the level of disposable household income, this will only take us back to where we were 10 years ago. The key is not to return to the trends in the pre-pandemic years, but to return to those earlier when real wages and living standards grew strongly, and ongoing low cost-of-living did not also mean a slow growth of living standards.

We need to avoid falling into the trap of thinking about the economy only as business groups would wish. The focus from these groups on cost of living and inflation has always been about restraining wages growth. It is founded on the belief that wages drive prices and thus all attempts at higher wages needs to be cautioned against. This view framed public policy throughout the 2010s. However, rather than low inflation delivering stronger real wages and improved living standards the opposite occurred.

What happened in the 2010s is our warning for the time ahead.

We should not look at the fall in living standards of the past 3 years as merely about increases in inflation (costs) or assume that once that inflation is under control (as it largely is now) the problem is solved. For living standards to grow, incomes and wages need to grow faster than inflation. To recover what workers have lost since 2021 we need wages to grow faster than they did relative to inflation in the decade before the pandemic. Focusing only on inflation and the cost of living will likely sentence Australian workers to another decade or more of declining living standards.

In summary

It's not a cost of living crisis, it is a living standards crisis.

Looking at living standards means looking at what is happening with costs AND wages.

The increase in prices (inflation) post-pandemic was driven by corporate profits and supply issues, NOT wages growth and spending.

The RBA got it wrong when it raised interest rates.

The real problem that needs fixing is a decline in real wages.

Public policy initiatives are needed to help raise real wages and living standards.

¹ The trend growth of the private sector wages price index fell 23 times out of 24 quarters during this period.

² Lowe (2019) *Statement by Philip Lowe, Governor: Monetary Policy Decision*, Reserve Bank of Australia, <https://www.rba.gov.au>

³ Australian Chamber of Commerce (2017) *Fair Work Commission Minimum Wage Panel Annual Minimum Wage Review 2016-17 Submission*, <https://www.australianchamber.com.au>

⁴ Fair Work Australia (2017) *Decision Annual Wage Review 2016-17*, [200], <https://www.fwc.gov.au>

⁵ Richardson et al (2022) *Are Wages or Profits Driving Australia's Inflation? An analysis of the National Accounts*, <https://australiainstitute.org.au/report/are-wages-or-profits-driving-australias-inflation/>

⁶ Richardson & Denniss (2022) *Profit share: Exploring data on profits in the Australian economy*, <https://australiainstitute.org.au/report/are-wages-or-profits-driving-australias-inflation/>

⁷ Stanford (2023) *Profit-Price Spiral: The Truth Behind Australia's Inflation*, <https://futurework.org.au/report/profit-price-spiral-the-truth-behind-australias-inflation/>

⁸ Reserve Bank of Australia (2023) *Statement on Monetary Policy – May 2023 Box B: Have Business Profits Contributed to Inflation?*, <https://www.rba.gov.au/>

⁹ Importantly the increase in profit margins occurred in a range of industries other than mining – such as wholesale trade and other services (which includes service such a hairdressing and motor vehicle repair).

¹⁰ Including the final increase in November 2023, the same quarter in which household consumption rose just 0.2% and after a quarter in which it fell 0.1%.

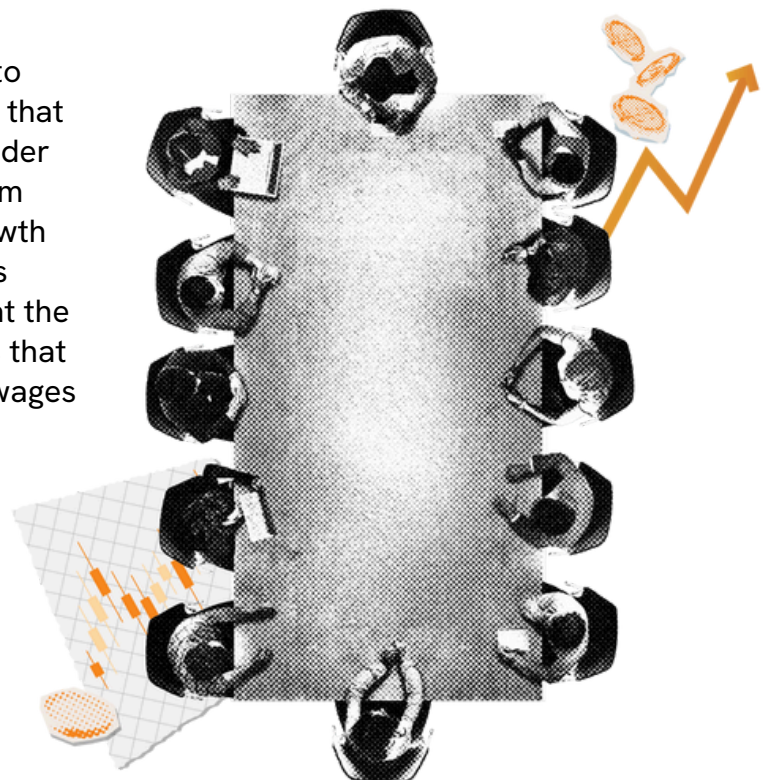
03

Restoring real wages through collective bargaining and full employment

-Thomas Greenwell

Low real wages are at the heart of the current crisis in living standards. How do we increase real wages and build workers' living standards after the COVID-19 pandemic? In this contribution Thomas Greenwell argues that the decline in living standards post the COVID-19 pandemic was driven by the decades long undermining of collective bargaining and high levels of underemployment. The solution to this problem? Build workers' power, strengthen their capacity to bargain collectively, make sure the award system and minimum wages are strong, and centre full employment as the core macroeconomic priority.

Real wages in Australia have been driven to decadal lows because of the high inflation that followed nine years of wage stagnation under the successive Coalition Governments from 2013 to 2022. While annual real wage growth (the purchasing power of workers incomes adjusted for inflation) managed to return at the end of 2023 and continued in the quarters that followed, the depth of the decline in real wages will require years of wage growth well above inflation to get real wages back to what they were at the start of 2021, just before inflation took off. Greater collective bargaining and full employment policy are needed to lay the groundwork for the much needed recovery in workers' living standards.



Prior to the COVID-19 pandemic, there was a comprehensive slowdown in wages growth. Annual wage growth began to slow steadily from late 2012, bottoming out in September 2016 at 1.9% growth, and continuing at this low level through to June 2017. Thereafter, wage growth barely picked up and remained low until March 2022, when the economy began to reopen after the lockdowns and closed borders of the pandemic crisis. Following the reopening, wage growth managed to pick up in the September quarter 2022 after just over ten years of stagnation. The increase in wages coincided with the unemployment rate falling to a record low. The Australian Government also changed as the Labor Party, led by Anthony Albanese, took office after winning the 2022 election.

However, the wages growth that commenced in 2022 was offset by inflation, which began to accelerate from mid-2021. The acceleration in inflation was driven by global supply chain disruptions and material shortages, as well as increasing freight costs, associated with the pandemic.¹ These issues were exacerbated by Russia's invasion of Ukraine and severe weather events disrupting agricultural and other supply chains in Australia.² In Australia, this global inflationary episode was magnified by the 'sellers' inflation' generated by exploitative business pricing practices.³ These combined forces drove price growth to the highest it had been since before the 1990s, with headline inflation (a measure of total inflation within the economy) peaking at 7.8% in December 2022. Illustrating the length and depth of the living standards crisis, annual inflation growth outpaced annual wage growth for nearly three years, driving real wages to decadal lows.

Inflation that high – and outpacing wage growth for that long – has had a significant impact on the purchasing power of workers. Real wages declined on an annual basis from June 2021 until September 2023. While there was some modest annual growth from December 2023 through to March 2025, the reality is that as of early 2025, real wages are sitting around where there were in December 2011.⁴ It will take concerted effort, sustained over many years, to reverse the damage done to real wages – and therefore workers' living standards – from the post-pandemic outbreak of inflation.



The role of collective bargaining

Workers' ability to obtain wage increases and improve working conditions hinges on having adequate market power. One of the most important ways to achieve and demonstrate market power is through collective bargaining.⁵ Workers banding together and taking on employers as a single force can achieve what an individual acting alone cannot.

One of the strengths of collective bargaining is that it allows unions and workers to regulate pay levels; guarantee wage rises for the life of the agreement; and address a range of other issues that impact the structure of jobs, and the working lives of those workers covered. This contrasts with individual arrangements, which are less likely than collective agreements to provide for wage increases. Individual arrangements also provide greater scope for managerial discretion, narrowing the range of issues that workers can have a voice on.⁶ Against this, collective bargaining expands the role of workers in decisions and outcomes at the workplace, constraining managerial discretion, while also facilitating regular pay increases.

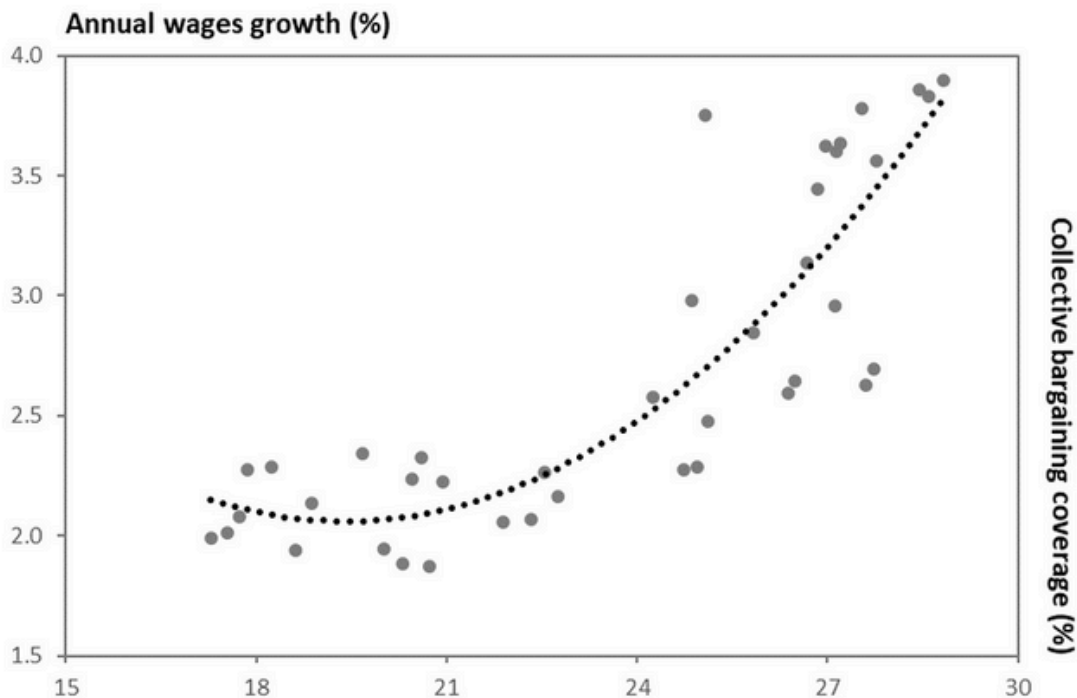
The link between collective bargaining and higher wages

Unfortunately, before the pandemic, collective bargaining coverage was in decline. From 2013, there was a rapid decline in collective bargaining coverage (particularly in the private sector) in Australia.⁷ Active anti-union policies by Coalition Governments facilitated a collapse in collective bargaining, and restrained workers' ability to press for better wages.

An analysis of the data on wages growth and the share of workers covered by federal collective agreements from the start of 2010 to just before the pandemic shows that there is a strong, positive association between the extent of collective bargaining coverage and annual growth in wages (see Chart 1). The higher the proportion of the workforce covered by collective agreements, the higher will be annual growth in wages across the economy.

It is no surprise then, given this relationship, that the decline in wage growth before the pandemic occurred alongside the collapse in collective bargaining coverage. Nor should it be a surprise that the passage of the 'Secure Jobs, Better Pay' laws by the progressive forces in the 2022 Parliament saw a strengthening of wages growth in the quarters that followed, with the changes to the law an important catalyst to getting wages moving after a decade of stagnation.

Chart 1: Correlation between collective bargaining coverage ratio (%) and annual wages growth (%), Mar-10 to Mar-20



Source: ABS Wage Price Index, ABS Labour Force, Detailed, DEWR Trends in Federal Enterprise Bargaining database & ACTU calculations.

Legislative change is an important first step

The Albanese Government came to office with a commitment to get wages moving again. When introducing the *Secure Jobs, Better Pay Act 2022*, one of the new Government's legislative priorities and means to get wages going was to facilitate collective bargaining. The Minister of Employment and Workplace Relations at the time, Tony Burke, acknowledged that

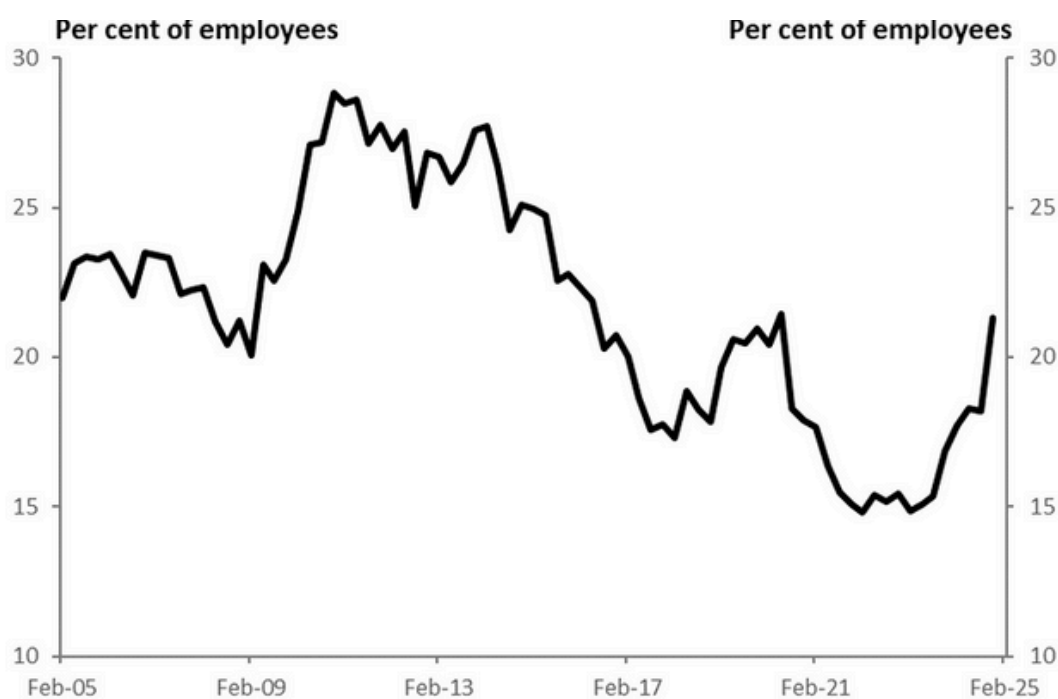
***"Australia's bargaining system is not working effectively and hasn't worked effectively for a long time."*⁸**

An important part of the 'Secure Jobs, Better Pay' changes was making it easier for unions and workers to initiate bargaining when employers were otherwise being recalcitrant. The legislation also introduced changes to multi-employer bargaining, particularly in low paid areas of work, and other measures to prevent employers from avoiding new enterprise agreements.

The results for collective bargaining coverage have been promising. The decline in collective bargaining coverage has started to reverse since the new laws came into force and there has been a notable pick-up in the number of workers covered by collective agreements.⁹

Between the fourth quarter of 2022 and the fourth quarter of 2024, the number of employees covered by collective agreements increased by around 824,000 workers. The total number of workers covered by collective agreements rose from 1.8 million in December 2022 to 2.6 million as of December 2024. The share of total employees covered by an agreement increased from 15.4% in the fourth quarter of 2022 to 21.2% as of the last quarter of 2024 (see Chart 2). An important component of the pick-up in collective bargaining was the willingness of employers to return to the bargaining table to avoid being captured under a multi-employer agreement, indicating indirect (and positive) effects of strengthening access to multi-employer bargaining in the 'Secure Jobs, Better Pay' laws.

Chart 2: Employees on current federally registered enterprise agreements as a share of total employees



Source: ABS Labour Force, Detailed, DEWR Trends in Federal Enterprise Bargaining database & ACTU calculations.

There is no doubt that past policies making it harder to get collective agreements, along with changes in the arrangement of work, restricted worker power. In 2017, the then-RBA Governor Philip Lowe noted this when he said that along with the impact of globalisation and changes in technology

“...changes in the nature of work and bargaining arrangements, mean that many workers feel like they have less bargaining power than they once did.”¹⁰

Diminished bargaining power over the neoliberal period was an important part of why wages growth was so low in Australia. By restoring access to collective bargaining, the 'Secure Jobs, Better Pay' legislation makes some redress and provides support to rebalance the scales in favour of workers.

This reopening of space for stronger wage growth and better outcomes for workers through rebuilding and expanding collective bargaining coverage, and thus rebalancing bargaining power, will be an important part of the journey to rebuilding workers' living standards. However, after decades of neoliberal policies designed to restrain workers' power, rebalancing bargaining power in favour of workers and rebuilding living standards will not be able to be achieved by expanding collective bargaining alone. Another important component will be ensuring a strong safety net for those workers not yet captured by agreement through the Awards system.

Awards are important too

In Australia, a system of modern awards underpins collective bargaining and determines the minimum pay and conditions of employees.¹¹ Many low paid workers, predominantly women, are reliant on award rates of pay and conditions. For those reliant on modern awards, and with minimal bargaining power, the Annual Wage Review process provides an opportunity to examine living standards and the cost of living. It is notable that employers are often arguing against substantial wage rises in the Annual Wage Review, despite evidence of the need for greater increases in the minimum wage to promote a living wage. In fact, in the 2024-25 Annual Wage Review, the Australian Restaurant and Café Association argued for a 2.0 % increase in award workers' wages, which Justice Hatcher – the Chair of the Fair Work Commission's Expert Panel – pointed out “would be a real wage reduction” when questioning the organisation's CEO Wes Lambert.¹²

Further, recent amendments to the *Fair Work Act*, again introduced by the Albanese Government, require an examination of gender based undervaluation of work in awards and have been used to secure significant pay rises and support women workers in some industries that have been undervalued on the basis of gender.¹³

The awards system acts as a safeguard if the wage rate of a worker covered by a collective agreement falls below the rate paid in the awards. This can occur when recalcitrant employers refuse to engage in bargaining, instead allowing an agreement to expire and not renegotiating a new one. In these circumstances, the employer will still be obligated to pay the minimum required in the award, meaning workers in this situation will still see some increase in their wages. The award system also provides for enforceable minimum standards for conditions of work, so workers are not just cut adrift and at the whim of employers.

Together, effective laws which facilitate collective bargaining, underpinned by a strong and relevant safety net of the modern awards, create a platform from which workers and their unions can come together to improve real wages and rebuild living standards. But even this will not be enough, and rebalancing workers' bargaining power will require holding onto the employment gains that have been made since the economy re-opened from the pandemic. To do this, Australia requires a restoration of full employment policy.

Restoring full employment

A key feature of the labour market prior to the pandemic was high unemployment and a persistently high underemployment rate, a feature that acted as a material drag on wages. A worker is underemployed when they would like to and are available to work more hours but are not getting those hours. Before 2019 this was a widespread problem.¹⁴ Alongside the decline in collective bargaining coverage, high underemployment set the stage for the substantial collapse in living standards once inflation began to cascade through Australia's economy.

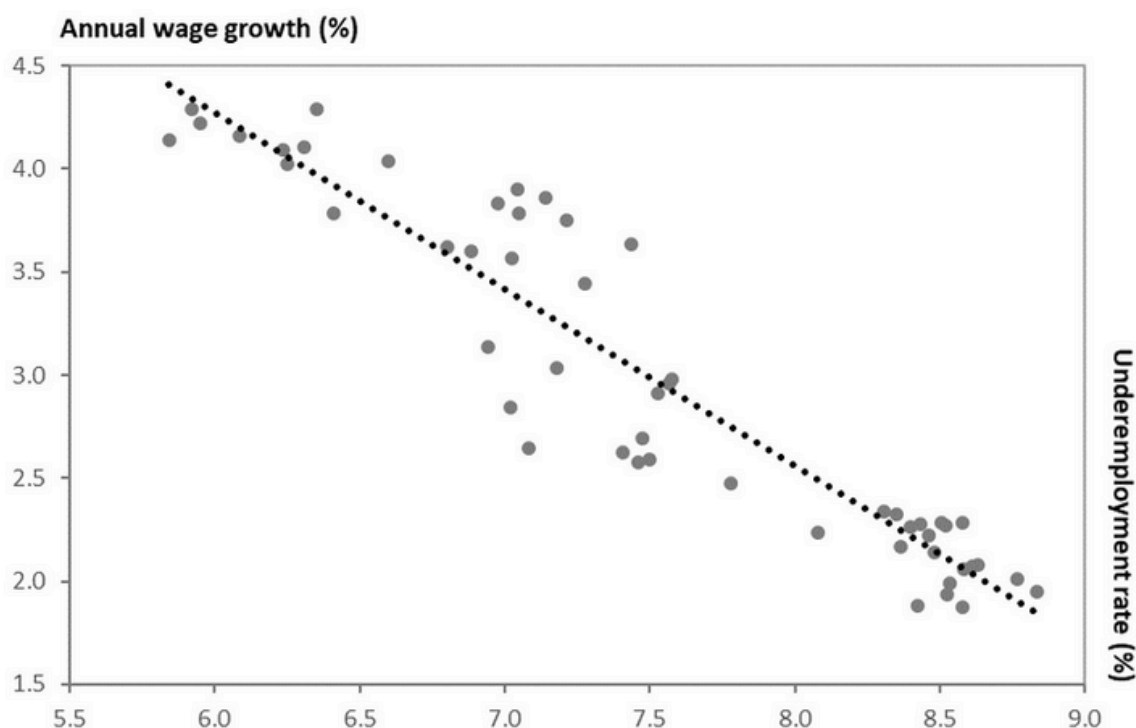
Underemployed workers are often in precarious or insecure work, and high underemployment before the pandemic reflected increases in non-standard employment. Most underemployment in Australia before the pandemic was

“experienced by individuals in non-standard and generally quite insecure work arrangements: including casual jobs, part-time roles, and precarious forms of self-employment (especially unincorporated own-account small businesses, in which the proprietor has no employees)”.¹⁵

The underemployment rate rose from around 6.3 % in November 2008 to 7.3 % in February 2009. It remained around this rate before once again climbing from May 2013 up to 8.5 %, where it stayed until the eve of the pandemic.¹⁶ As the underemployment rate rose and collective bargaining coverage collapsed, wage growth began to slow dramatically.

In the years before the pandemic, there was a strong, negative correlation between the underemployment rate and annual wage growth six months hence (see Chart 3). This means that the higher the rate of underemployment, the lower the rate of annual wage growth half a year later. The strength of the correlation is consistent with the view that prior to the pandemic workers in non-standard and precarious employment lacked the power to push for higher wages.¹⁷ In the same manner as the decline in collective bargaining pre-pandemic, widespread insecure and precarious work weakened the bargaining position of workers and contributed to the slowdown in wages, giving rise to the preconditions for the severe collapse in living standards that followed.

Chart 3: Correlation between annual wage growth and the underemployment rate, Mar-07 to Dec-19



Source: ABS Wage Price Index, ABS Labour Force & ACTU calculations.
Note: Underemployment rate lagged by six months.

Freefall during the pandemic and the rebound after

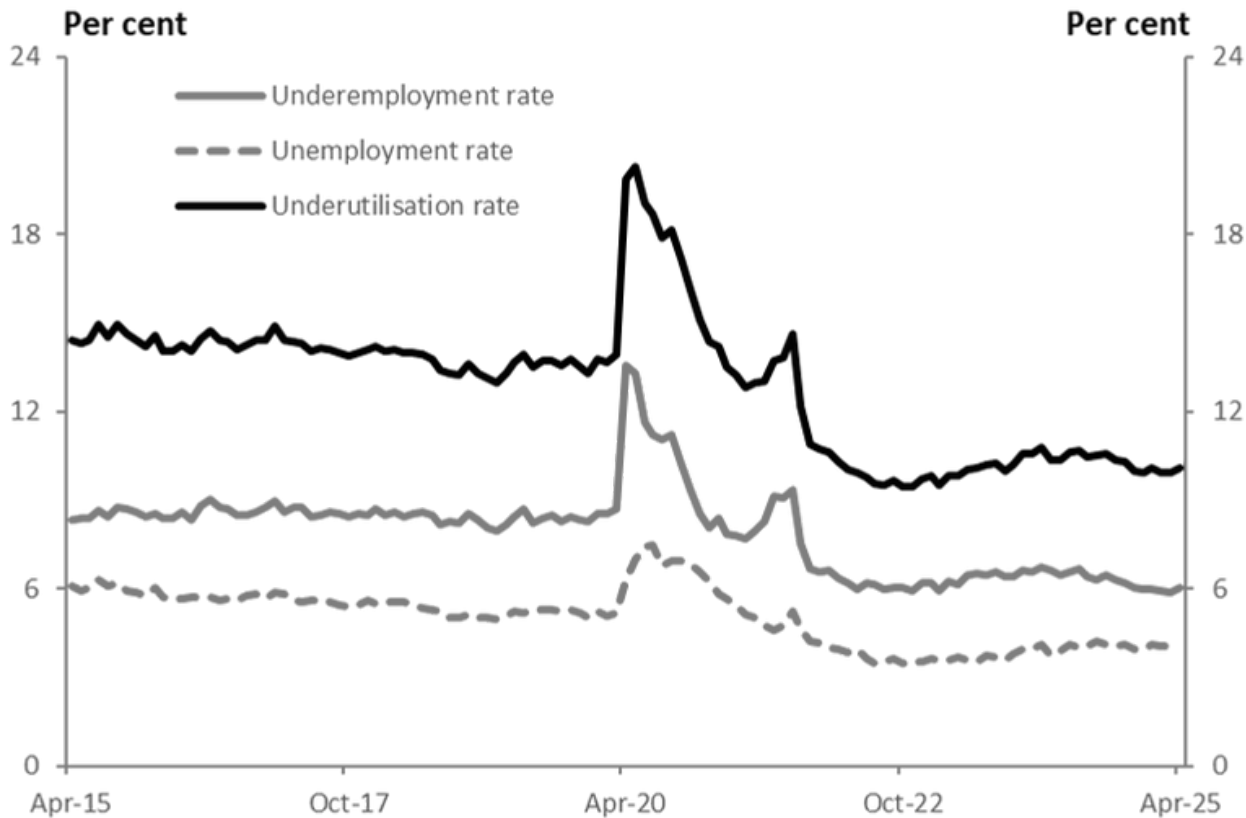
Yet the highs in the underemployment rate reached before the pandemic were not yet outdone. During the pandemic and following the onset of the lockdowns, the labour market went into freefall. The lockdowns shifted existing labour market dynamics, with job vacancies falling sharply and the unemployment rate and underemployment rising abruptly as the economy officially went into recession for the first time since the 1990s. The vacancy rate fell to 1.0% in June 2020, the lowest it had been since March 2004 – albeit in very different circumstances.¹⁸ The unemployment rate shot up from 5.2% in March to 6.3% in April, after the first lockdown started on the twenty-second of March. Around 121,000 more people were unemployed in April 2020 than a month earlier. The unemployment rate peaked at 7.5% in July 2020, when there were just over a million Australians without a job. There was also a large increase in the underemployment rate, which peaked at 13.3% in April 2020 as uncertainty, including around the policy approach taken by the Morrison Government, cascaded through the system.¹⁹ The underemployment rate stayed at double digits for the next six months, through to October 2020, as economic activity was restricted and economic uncertainty abounded.

Following the lifting of restrictions labour market dynamics altered dramatically for a second time. Border closures, combined with the release of pent-up demand and the restoration of firms' ability to operate at full capacity, pushed up the number of job vacancies sharply.²⁰

Reflecting the tightening of the labour market post-pandemic, the unemployment rate fell to an historic low of 3.5% in July 2022, the first month after restrictions eased, staying around this level until December 2022 (see Chart 4). By December 2023, the unemployment rate had started with a three for 21 months. This was notable because from May 2022 until November 2023 the Reserve Bank of Australia (RBA) had increased interest rates from 0.1% to 4.35% to contain the inflation that emerged in late 2021. The underemployment rate also declined substantially, reaching a low of 5.9% in both November 2022 and February 2023 as employers scrambled to fill vacancies and meet post-pandemic demand. Full-time employment increased at pace across 2022 through to early 2025, with 1.2 million more people employed full-time in April 2025 compared to January 2020, when part-time and non-standard employment was in ascendency and weighing on workers’ bargaining power.

For the first time in decades, Australia’s labour market was as close as it had been to full employment. Workers were more readily able to secure the hours of work they wanted. Wages were moving again and full-time jobs were growing strongly after decades of increases in part-time work. Amidst these solid labour market outcomes, the Albanese Government published its White Paper on full employment, *Working Future*, which represented a positive step forward for working people after a decade of unnecessarily high unemployment and underemployment.

Chart 4: Underutilisation rates



Source: ABS Labour Force, Australia & ACTU calculations.

A good start: The White Paper on full employment

In September 2023, the Albanese Labor Government released *Working Future: The Australian Government's White Paper on Jobs and Opportunities*. In this White Paper the Australian Government took an expansive view of full employment, with a vision of a labour market that is “dynamic and inclusive...in which everyone has the opportunity for secure, fairly paid work.”²¹

The approach in *Working Future* held promise because it emphasised not only jobs as such, but also jobs that were “safe, secure, fairly paid and provide mutually beneficial flexibility to workers and employers.”²² This approach was much more worker friendly. In fact, *Working Future's* definition of full employment was in line with that of the union movement's, encapsulated in the ACTU's *An Economy that Works for People* paper by the Centre for Future Work published ahead of the Government's jobs and skills summit.²³

However, the Government's implementation of the new definition of full employment has been mixed. Three months after *Working Future* was published, the Treasurer and the Board of the RBA agreed a new *Statement on the Conduct of Monetary Policy*, which included the *Working Future* definition of full employment and a commitment from the Board to “clearly communicate how it is balancing its inflation and full employment objectives.”²⁴

Beyond this inclusion, full employment has not featured very strongly in the Government's narrative. In fiscal policy, full employment was included in both the 2023-24 and 2024-25 Budgets in a perfunctory way, but the emphasis was on putting the budget on a more sustainable footing, rather than adopting an active strategy towards full employment and job creation achieved through discretionary fiscal policy and other labour market reforms.²⁵ The Albanese Government instead focused on cost of living measures, not without reason, but unfortunately in a way that disconnected full employment policy from the cost of living, despite the intimate connection between having a secure, fairly paid job and managing rising cost of living. There is therefore a long way to go before full employment is restored as the centrepiece of macroeconomic strategy and policy.



Steps to restoring real wages

Commit to full employment

The approach to full employment taken by the Albanese Government in its first term has been muted. The definition of full employment in *Working Future* and now included in the RBA's monetary policy objectives is not binding. To remedy this, the Government should amend the *Charter of Budget Honesty* (the Charter) to include a full employment objective that requires setting an explicit near-term and medium-term target unemployment rate.

Introduced under the Howard Government in 1996, the Charter sets out a formal approach to fiscal management. Resting on a neoliberal approach to fiscal policy, the Charter requires the Budget to be framed in terms of a medium-term fiscal strategy.²⁶ The Albanese Government should amend the Charter to formally include full employment as a key plank of fiscal policy and thus require future governments to report what their full employment target is, and how close to (or far away from) that target they are at each Budget – and how they are going to get there.

The Albanese Government should also revisit the *Reserve Bank of Australia Act* and amend the RBA's objectives to give equal consideration to full employment and price stability, as recommended by the review of the RBA commissioned by Treasurer Chalmers.²⁷ Making full employment a priority in this way would centre full employment policy goals within budget strategy and the exercise of macroeconomic policy. Requiring an explicit numerical target would also be a way to hold future governments to account on achieving their (un)employment targets and strengthen pressure on the RBA to act in the service of full employment in a meaningful way.

To ensure any full employment target is achievable, the Australian Government would also need to establish a Full Employment Commission as a statutory body to provide analysis and advice on how to reach the goal of full employment. While the Australian Public Service has institutions, such as the Department of Employment and the Treasury, that can provide advice to individual ministers on full employment, coordination across the public service is challenging. Australian Government departments have their own philosophical leanings and internal priorities, as do ministers in any government. These priorities and leanings are not always aligned and often are in tension with one another.

Australian Government departments are also already stretched thin in dealing with the day-to-day priorities of ministerial portfolios after a decade of neglect and hollowing out by Coalition governments. A Full Employment Commission, separate from the demands and workloads of individual ministers, would provide the Australian Government with a central authority tasked with addressing full employment policy. The remit in relation to full employment should be broad, including the development of fiscal measures, the reform of labour market institutions, and broader microeconomic reform to facilitate job security and worker-friendly labour market outcomes. This broad remit would allow policy advice to go to issues of deficient macroeconomic demand, regional labour market programmes, employment services and other related matters in a systematic way that is unified around a single policy goal of an explicit target unemployment rate.

Embed worker friendly industrial relations reforms

Beyond full employment and entrenching a low and stable rate of unemployment and underemployment through coordinated fiscal, monetary and labour market policy, there is a need to ensure that legislative reforms introduced under the first term Albanese Government are embedded. Employers can be relied upon to find new ways of exploiting existing law or (re)structuring to avoid the laws entirely to weaken collective bargaining and undermine wages in favour of profits. This speaks to the need to have an industrial relations framework that is constantly adapting and updated as the structure of the market and employment relations changes. An important element of this is embedding the 'Secure Jobs, Better Pay' and 'Closing Loopholes' laws by establishing precedent and allowing the expansion of collective bargaining – and especially multi-employer bargaining – to gather momentum. This will ensure workers are able to rebuild both their bargaining power and living standards in the years to come through the stronger wage outcomes that come from having more workers on collective agreements.

The most recent election is an important illustration of this. The Coalition under Peter Dutton thought it was politically astute to attack working from home, the right to disconnect and public service workers. Australians clearly rejected these extreme policies, and each in turn had to be walked back once it became clear that these policies were electorally unsustainable. While the politics required the Coalition to publicly retreat from its proposed industrial relations reforms, there is no doubt that employer bodies will continue to pressure for change that benefits business at the expense of workers' rights.²⁸ This makes ensuring these rights – as well as the already mentioned collective bargaining rights – are embedded so they become a normal and unassailable part of workers' everyday lives.

Support increases in the minimum wage

Another dimension of embedding workers' bargaining power and rebuilding living standards is having a safety net fit for the future. The importance of awards and the Annual Wage Review was discussed earlier. Through union action, supported by the Albanese Government, the minimum wage (and the award rates of pay) increased substantially over the period 2022 to 2024.

This has meant that Australia's lowest paid workers have also seen an improvement in their pay and the safety net in Australia's industrial relations system has seen some maintenance. It is important that a more vocal and active approach by the Australian Government (to supplement the advocacy by unions) continues, so that the Annual Wage Review continues to deliver good increases in minimum and award wages. The Australian Government should move beyond just a commitment to making sure workers do not go backwards – instead, it should advocate for not only maintenance of award and minimum wage workers' real wages, but also for marked improvements. Only this latter approach will ensure that living standards and wages across all parts of the workforce improve.

Encouragingly, the returned Albanese Government argued for an “economically sustainable real wage increase to Australia’s award workers” in the 2024-25 Annual Wage Review.²⁹ This is a step in the right direction, and a practice that should continue in coming Reviews. Award wage workers have gone backwards in real terms for several years now.³⁰ It will be important going forward to make sure that award workers enjoy substantial real wage increases until they go beyond just making up for losses taken during the inflationary episode.

Longer term, there is a need to move the award and minimum wage safety net towards a living wage. A living wage would reduce poverty and inequality. It improves the absolute and relative living standards of award workers and reduces the gender pay gap. Having a secure and stable job with sufficient hours that pays a living wage is an important part of allowing individual workers to be fully employed and to improve their living standards. Moving to a model where the living wage is adjusted by the Fair Work Commission each year to ensure that workers maintain a decent standard of living and get their fair share of productivity growth is a natural outgrowth of making marked improvements to the pay of workers that rely on award and minimum wages.

Conclusion

The task of rebuilding workers’ living standards from the decadal lows they were driven to by the recent bout of inflation should be the absolute priority of Parliament for years to come. Restoring collective bargaining coverage, centring full employment in macroeconomic policy, and rebuilding the living standards of minimum and award wage workers are all important elements of this task. These policy goals will go some way to restoring the bargaining power lost by workers after decades of neoliberal policy and institutional changes while also solidifying wage growth by putting it on a sustainable footing for the future.

The Parliament should focus on keeping the industrial relations framework up to date and fit for purpose as the market structure and employment relations evolve. This means embedding and expanding collective bargaining coverage, especially multi-employer collective agreement coverage.

Full employment should be centred as the core macroeconomic priority, including amending the framework governing fiscal and monetary policy so that full employment is at its centre. Setting an explicit near-term and medium-term target unemployment rate and establishing a Full Employment Commission to provide advice on achieving that target will also ensure full employment is achieved.

Finally, delivering good increases in real award wages and moving the award and minimum wage safety net towards a living wage will ensure that workers maintain a decent standard of living and get their fair share of productivity growth. Adopting these as policy priorities will lay the groundwork to rebuild workers’ living standards in the years to come.

In summary

- Rebuilding workers' living standards should be a key priority of the Parliament and the Australian Government.
- Collective bargaining and full employment are key factors underpinning workers living standards.
- Maintaining the base - Awards and a strong minimum wage are also key to ensuring workers don't fall behind.
- Industrial relations reforms that have increased workers' power and their capacity to collectively bargain should be maintained and strengthened.
- Full employment shouldn't just mean enough jobs being available, those jobs must be safe, secure and fairly paid.
- Government accountability around full employment targets should be strengthened by embedding this in the Charter of Budget Honesty and creating a public infrastructure - the Full Employment Commission- that can monitor full employment goals and support cross government initiatives.



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- ² Greenwell (2024) 'The Economic Challenge', *Journal of Australian Political Economy*, 92, 9-34 at 17, <https://www.ppesydney.net/content/uploads/2023/12/2-Greenwell.pdf>
- ³ Fels (2024) *Inquiry into price gouging and unfair pricing practices: Final Report*, ACTU.
- ⁴ Australian Bureau of Statistics (2025), *Wage Price Index, December 2024: Media Release* <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release>
- ⁵ Peetz (2018) 'Collective bargaining and power', In Stewart et al (eds), *The Wages Crisis in Australia*, pp 103-114, University of Adelaide Press.
- ⁶ Peetz (2001) *Individual contracts, collective bargaining, wages and power*. Centre for Economic Policy Research Discussion Paper No. 437, CEPR, at 4-5.
- ⁷ Stanford et al (2022) *Collective bargaining and wage growth in Australia*, Centre for Future Work, <https://futurework.org.au/report/collective-bargaining-and-wage-growth-in-australia/>
- ⁸ Burke (2022) *Second reading speech for Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022*, Parliament of Australia, <https://parlinfo.aph.gov.au/parlInfo/>
- ⁹ Jericho et al (2024) 'Labour Policies', *Journal of Australian Political Economy*, 92, 35-56, at 38, <https://www.ppesydney.net/content/uploads/2023/12/3-Jericho-et-al.pdf>
- ¹⁰ Lowe (2017) *Some Evolving Questions*. Address to the Australian Business Economists Annual Dinner, <https://www.rba.gov.au/speeches/2017/sp-gov-2017-11-21.html>
- ¹¹ Peetz (2020) 'Awards and collective bargaining in Australia: what do they do and are they relevant to New Zealand', *New Zealand Journal of Employment Relations*, 44(3), 58 – 75.
- ¹² Fair Work Commission (2025) *Transcript of Proceedings for the 2024-25 Annual Wage Review*, at 55, https://www.fwc.gov.au/documents/sites/wage-reviews/2024-25/20250521_c20251.pdf
- ¹³ See for example Fair Work Commission (2022) *Stage 1 Aged Care decision [2022]* FWCFB 200; Fair Work Commission (2025) *Gender-based undervaluation decision [2025]* FWCFB 74.
- ¹⁴ ABS (2024) *Underemployed workers*, <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/underemployed-workers/latest-release>
- ¹⁵ Stanford et al (2022) *The Wages Crisis Revisited*, Centre for Future Work at 22, <https://futurework.org.au/report/the-wages-crisis-revisited/>
- ¹⁶ Australian Bureau of Statistics (2025) *Labour Force Australia, April 2025* <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>
- ¹⁷ Stanford et al (2022) *The Wages Crisis Revisited* at 60.
- ¹⁸ Australian Bureau of Statistics (2025) *Labour Account Australia, December 2024*, <https://www.abs.gov.au/statistics/labour/labour-accounts/labour-account-australia/latest-release>
- ¹⁹ Australian Bureau of Statistics (2025) *Labour Force Australia, April 2025*.
- ²⁰ Australian Bureau of Statistics (2025) *Labour Account Australia, December 2024*.
- ²¹ Commonwealth of Australia (2023) *Working Future: The Australia Government's White Paper on Jobs and Opportunities*.
- ²² Commonwealth of Australia (2023) *Working Future*, at viii.
- ²³ Stanford (2022) *An Economy that Works for People*, Centre for Future Work, <https://futurework.org.au/report/an-economy-that-works-for-people/>
- ²⁴ Reserve Bank of Australia (2023) *Statement on the Conduct of Monetary Policy*, <https://www.rba.gov.au/monetary-policy/framework/stmt-conduct-mp-8-2023-12-08.html>
- ²⁵ Commonwealth of Australia (2023) *Budget 2023-24*, at 87 and Commonwealth of Australia (2024) *Budget 2024-25*, at 79.

²⁶ Commonwealth of Australia (2018) *Australia's experience with economic reform* at 35, <https://treasury.gov.au/publication/p2018-t332486>

²⁷ Commonwealth of Australia (2023) *Final Report of the Review of the Reserve Bank of Australia*, at iv, <https://rbareview.gov.au/final-report>

²⁸ For example, the Chief Executive of the Australian Resources and Energy Employer Association Steve Nott told the conservative HR Nicholls Society in October 2024 that big business should campaign "as hard as possible to do what needs to be done to the IR framework", including the scrapping of awards and the unwinding of unfair dismissal rights.

²⁹ Commonwealth of Australia (2025) *Submission of the Australian Government to the Fair Work Commission Annual Wage Review 2024-25*, at 2.

³⁰ Australian Council of Trade Unions (2025), *Initial Submission to the Fair Work Commission Annual Wage Review 2024-25*, at 1.

04

Government, power and wages

Centre for Future Work summary from Peetz (2025) The curious incident of low wages growth: Wages and Policy in the 21st Century

Why do we have declining real wages at a time of relatively low unemployment? Has low wages growth been normalised in Australia? A conventional analysis might suggest that if workers are in demand and short supply then they will be able to argue for higher wages. However, as evidenced in several contributions to this publication, in recent times in Australia, real wages (that is, the value of wages if you adjust for price rises) have declined even though there have been historically low levels of unemployment.

In an analysis considering the curious phenomenon of low wage growth in Australia, Emeritus Professor and Carmichael Centre Laurie Carmichael Distinguished Research Fellow, David Peetz explored how power- who has it and how it is exercised- impacts on wage outcomes.¹ David notes there are many factors that can influence power structures in the labour market.

These factors include:

- whether there is high demand for labour and whether there are many (or few) workers to fill vacancies (market power)
- whether the rules around work limit (or facilitate) worker or employer power (institutional power)
- how easy it is to work together with others to pursue your goals for example whether you can join a union (associational power) and
- whether you have a strategic advantage or location in the labour market or the economy that means you can influence outcomes (structural power). An example would be if you had a monopoly over a particular type of work.

In the period 2014-2022 under Coalition governments there was less industrial relations legislative reforms, as many were blocked in the Senate. Some changes that undermined workers' power included placing tighter restraints on unions, restraining workers in the construction industry through the re-establishment of the ABCC, and supporting legal challenges to the definition of casuals and then incorporating a definition in the *Fair Work Act* that gave employers total discretion on whether or not a worker was defined as casual. Through public sector wages policy and its approach to bargaining in the public sector, governments also sought to restrain worker power here.

Central to whether workers can exercise the power they may have in the 'market' is the extent to which public policy and law enliven or restrain that power. A key question explored by David is whether government action can make a difference to the wages Australians earn? The answer is a resounding 'yes'!

In his analysis David has usefully identified some key policy/legislative changes over the past decade that have influenced the capacity of workers to argue for higher wages. This 'mapping' helps to explain how workplace laws and the policies of government enliven or constraint the capacity of workers to improve their position in the labour market.

The accompanying table (included in David's analysis) summarises government action and its impact on workers' power. It also includes some policy approaches or decisions by state governments or the industrial tribunal – the Fair Work Commission, that have impacted on workers' power.

The changes included in the table that have occurred since 2014 have to be viewed against a backdrop of considerable swings in industrial relations law and policy prior to 2014.

These shifts in industrial relations policy and law include:

- 1992-1993- *Industrial Relations Reform Act* introduced by the Labor government which paved the way for the introduction and spread of single-employer bargaining.
- 1996 - *Workplace Relations Act* of 1996, introduced by the Howard Coalition government, which included provisions allowing for non-union agreements, enabled individual contracts in a limited way, reduced unfair dismissal rights, and tightened procedures for legal industrial action.
- 2006 -The Howard government 'WorkChoices' amendments that allowed for individual contracts ('Australian Workplace Agreements' or AWAs) to have pay and conditions inferior to awards, abolished all unfair dismissal protections for workers in small to medium sized enterprises and some in larger firms, prohibited union preference provisions, and further tightened procedures for legal industrial action and penalties for breaches. Earlier amendments had established the Australian Building and Construction Commission (ABCC) that policed the construction industry.
- 2009 - *Fair Work Act* introduced by the Rudd Labor government which mitigated some of the harsher edges of the Workchoices provisions including through abolishing AWAs and reinstating unfair dismissal protections, but left many of the restrictions on collective bargaining and the taking of industrial action that previous legislation had introduced. Later the Gillard Labor government also disestablished the ABCC replacing it with the Office of the Fair Work Building Industry Inspectorate.

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Many of the above government initiatives undermined or had a neutral impact on workers' power. Thus contributing to the phenomenon of low (or non existent) wage growth. Since it was elected in 2022 the Albanese Labor government has made several legislative and policy changes that impact on the labour market. Many of these have, or have the potential to, increase workers' power.

Whilst the actions of governments through legislation, policy or their own employment practices is not the total picture when it comes to power in the labour market, the analysis set out by David does document how this action is one piece in the puzzle as to why wages growth has been low in Australia. Government action can hinder or enable worker power. In Australia, prior to 2022 there was a lengthy period within which the legislative and policy context restricted workers' power thus contributing to why wage growth has been slow or non-existent.

These matters are discussed in detail in David's analysis which is available at <https://futurework.org.au/report/the-curious-incident-of-low-wages-growth/>



Table: How public policy has influenced wages 2014-2024 (from Peetz (2025))

Policy/legislative change	Direct impact	Impact on workers' power
FEDERAL POLICIES BEFORE 2022		
1. Establishment of Registered Organisations Commission (ROC)	Tighter regulation of internal affairs of trade unions	Reduction in worker power
2. Establishment of Australian Building and Construction Commission (ABCC)	Reduced capacity for union organisation and industrial action in construction	Reduction in worker power
3. Abolition of Road Safety Remuneration Tribunal	Prevented regulation of pay and conditions in heavy vehicle transport	Reduction in worker power
4. Sexual harassment	Defined and introduced 'stop sexual harassment' orders	Increase in worker power
5. New provisions for casual employment	Defined casual by reference to employer depiction, plus other changes	Mixed but overall reduction in worker power
6. Making some franchises and holding companies liable for certain actions of their subordinate organisations	Tighter regulation of franchises and holding companies	Increase in worker power
7. Government approaches to bargaining	Non-recognition or attempted circumvention of unions	Reduction in worker power
FEDERAL POLICIES FROM 2022 ONWARDS		
8. Government approaches to bargaining	Recognition and no attempted circumvention of unions	Increase in worker power
9. SJB: Gender equality	Prioritised reduction of gender equality	Increase in worker power
10. SJB: Pay secrecy	Prohibited pay secrecy	Increase in worker power
11. SJB: Sexual harassment	Tighten prohibitions	Increase in worker power
12. SJB and Loopholes: Casual employment	Deem some as permanent employees	Increase in worker power
13. SJB: Small claims	Expand eligibility for simplified procedures	Increase in worker power
14. SJB: ABCC and ROC	Both bodies abolished	Increase in worker power
15. SJB: Enterprise bargaining	Expand situations for multi-employer bargaining	Increase in worker power
16. SJB: Fixed-term contracts	Limited use of fixed-term contracts	Increase in worker power
17. SJB: Flexibility	Expanded right to request procedures to make acceptance more likely	Increase in worker power
18. SJB: BOOT test	Simplified BOOT test	Slight reduction in worker power
19. PWE: Migrant workers	Protections for migrant workers	Increase in worker power
20. CL: Definition of employee	Made it harder for firms to classify workers as non-employees	Increase in worker power
21. CL: Regulation of 'employee-like work'	Enabled tribunal to regulate pay and certain conditions for many gig workers (including heavy vehicle drivers)	Yet to take effect, but likely to increase worker power from 2025

Policy/legislative change	Direct impact	Impact on workers' power
FEDERAL POLICIES FROM 2022 ONWARDS (cont.)		
22. CL: Delegates' rights	Expanded delegates' rights	Increase in worker power 2024
23. CL: 'Same Job Same Pay' amendments	Should reduce pay gap between employees and labour hire workers	Yet to see the full effect but likely to increase worker power from 2025
24. CL: Right to Disconnect	Prevents employers from contacting workers outside working hours in certain circumstances	Increase in worker power
25. CL: Wage theft	Introduced criminal penalties for egregious forms for some employers	Increase in worker power
26. CL: Small business	Clarified anomalies in small business exemptions	Reduction in worker power
27. CL: Right of Entry	Improved union access to workplaces	Increase in worker power
28. CL: Protected action	Compulsory conciliation in defined circumstances	Probable increase in worker power
29. CL: Discrimination	Additional protections	Increase in worker power
30. Non-compete clauses	Banned in employee contracts	Increase in worker power
POLICIES OUTSIDE THE FEDERAL GOVERNMENT		
31. State government rules on wage ceilings	Expanded since 2011, though abolished in NSW in 2024	Reduction in worker power until 2023, increase in power 2024
32. FWC changes to awards regarding female-dominated occupations	Often ineffectual or reinforcing male-favouring relativities, but sometimes reducing gender gaps in awards	Mixed but on average gradually increasing female workers' power
33. High Court decisions on definition of employee	Made it easier for firms to classify workers as non-employees	Reduction in worker power
34. FWC decisions on industrial action 'essential services'	Made it easier for industrial action to be halted	Reduction in worker power
35. Reserve Bank monetary policy	Gradually reduced interest rates to 2019, increased interest rates aggressively from 2022	Increase in worker power to 2019, reduction in worker power to 2022
OTHER		
36. Pandemic response	Major closures and lockdowns, income support, all mostly reversed as pandemic eased	Mixed effects, with lockdowns and closures reducing worker power, income support measures increasing power

Notes: SJBPA = Secure Jobs, Better Pay legislation (2022); PWE = Fair Work Legislation Amendment (Protecting Worker Entitlements) Act (2023); CL = Closing Loopholes Act (2023 (No 1) and 2024 (No 2)).

¹ Peetz (2025) *The curious incident of low wages growth: Wages and Policy in the 21st Century Report No. 1*, Centre for Future Work, <https://futurework.org.au/report/the-curious-incident-of-low-wages-growth/>

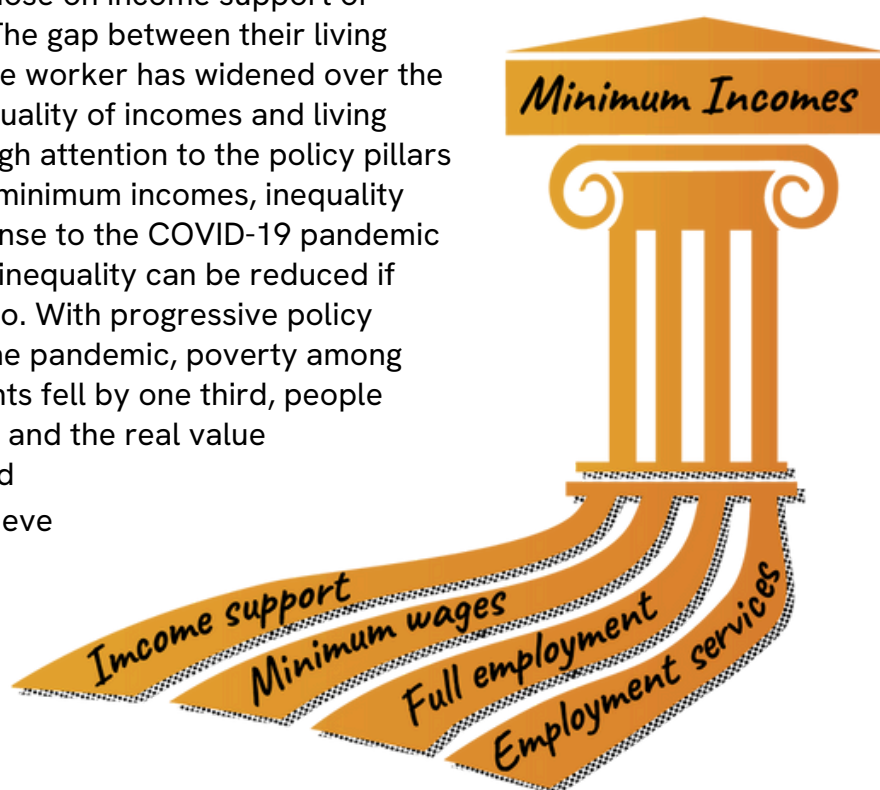
05

Strengthening the four pillars to restore minimum incomes and reduce inequality

-Dr Peter Davidson

Is the widening gap between those on minimum incomes and those whose incomes are higher inevitable? In this contribution Peter Davidson, Chief Advisor at the Australian Council of Social Service (ACOSS), argues No. Increasing inequality can be halted and reversed through strengthening the four policy pillars that underpin minimum incomes. After all we showed this could be done during the COVID pandemic.

People on the lowest incomes – those on income support or minimum wages – are struggling. The gap between their living standards and those of an average worker has widened over the last 30 years. This increasing inequality of incomes and living standards is not inevitable. Through attention to the policy pillars underpinning the (in)adequacy of minimum incomes, inequality can be reduced. The policy response to the COVID-19 pandemic showed that poverty and income inequality can be reduced if governments have the will to do so. With progressive policy interventions during the time of the pandemic, poverty among people on unemployment payments fell by one third, people living on the streets were housed, and the real value of minimum wages was maintained as inflation rose. The tools to achieve a reduction in inequality include strengthening income supports and minimum wages, restoring genuine full employment so that people can obtain the jobs and paid hours they need, and fixing our failing employment services.



Living standards are falling for those who have the least

The living standards of those on the lowest incomes -people relying on income support or a low paid job - have fallen behind the rest of the community. When we talk about living standards we mean the level of material comfort people have. That is, whether they can afford the things that matter. For those on minimum incomes affording life's essentials like a secure home, three decent meals a day, being able to afford school expenses and activities for children, and having insurance against risks, is a struggle. This shouldn't be an issue in a comparatively wealthy country like Australia.

The sharp increase in living costs over the last two years is part of the problem, but far from the whole story.

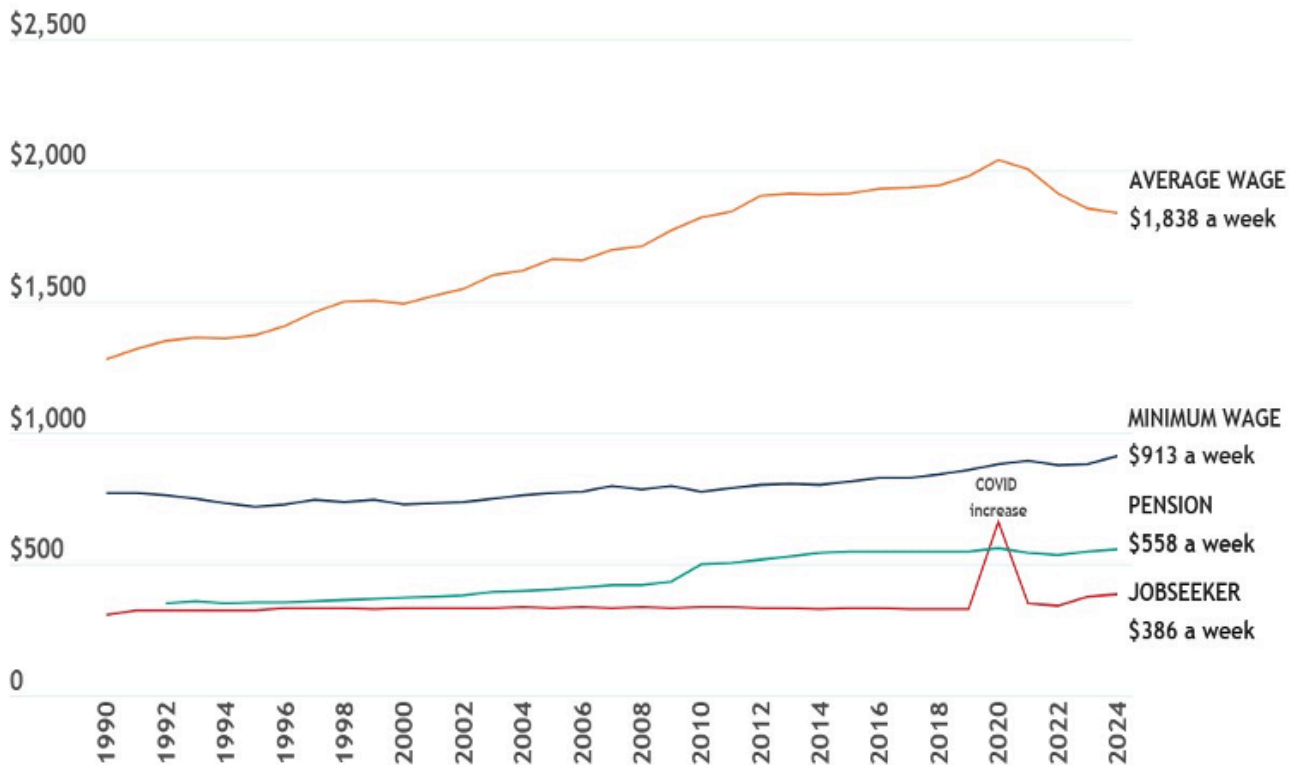
As Greg Jericho said in an earlier contribution to this publication, there are two sides to the living standards coin – income and costs. Household incomes have not kept up with prices, falling on average by 8% since 2022 (after accounting for inflation). Most people on low incomes have very few savings they can draw on to cover the rising cost of essentials or deal with a personal crisis such as illness or job loss.¹

Government income supports are inadequate to meet basic needs. The Jobseeker Payment, which is the main income support payment for those over the age of 22 who are judged to have the capacity to seek employment, is just \$395 per week for a single adult (at March 2025). If you are also receiving the maximum rent assistance this weekly rate is \$501. The Jobseeker Payment is \$179 per week below the frugal pension rate and has fallen well below a widely recognised poverty line which is generally calculated as half of the median household income (around \$560pw).²

Those earning minimum wages are also unable to meet basic needs. The minimum fulltime wage is just \$916 a week. In addition, many low-paid workers, particularly women, are in casual or part-time employment, therefore earning less and facing greater insecurity.

Since 1990 income supports for people of working age, and minimum wages, have fallen behind growth in the average wage. Figure 1 shows that unemployment payments have fallen from 25% of the average wage in 1990 to 21% in 2024. Minimum wages have fallen from 63% of the average wage in 1990 to 50% in 2024.

Figure 1: Unemployment payments, pensions, and minimum wages compared to average earnings (in 2024 dollars from 1990-2024)



Source: ACOSS (2025) Submission to the Fair Work Commission on the Minimum Wage.

Further, affordable housing is increasingly out of reach for people with low incomes who don't own their homes. In 2024, the average of the median (mid-level) rents for Sydney, Brisbane and Melbourne combined was \$650 per week.³ While a single adult could usually rent for less than this, it would not be much less unless they share with many others. Finding a home to rent is very hard in an overheated housing market.

All of this means that people on the lowest incomes live with insecurity, not knowing whether they can keep a roof over their heads and cover basic living costs from one week to the next. Planning, buying a home, and raising children free of poverty, is next to impossible for those on minimum incomes.

If we are to give people hope and the tools to build a future we need policy interventions to address the decline in minimum incomes of working people.

The four pillars of minimum incomes

The minimum income for people of working age in Australia rests on four pillars: income support, the minimum wage, full employment and employment services. These pillars are mutually reinforcing. For example, a decent income support safety net and effective employment services mean people aren't forced to take the first available job if the pay is low or inadequate. Further, an adequate minimum wage creates more room to lift income support payments.

Pillar 1: Income support

Income support is the social security safety net for people unable to obtain full-time employment. A person may need income support if they can't find a suitable job or if they are unable to join the paid workforce due to a disability or caring responsibilities. These payments include the Jobseeker Payment, Youth Allowance, Parenting Payment, Disability Support Pension and the Carer Payment. As discussed earlier, payments for people required to seek employment are set well below pension levels as unlike pensions they are not indexed to movements in average wages.⁴

In Australia a growing number of parents and people with a disability were pushed onto the lower Jobseeker Payment as the rules governing access to the Parenting Payment and the Disability Support Pension were tightened under the Howard and Gillard Governments. The first Albanese Government clawed back some of these income losses for sole parents – those whose youngest child is aged 8-13 years. In 2024, the Albanese Government also lifted Jobseeker and related payments by \$20 per week, though the Jobseeker payment still sits at \$180 per week below pension levels.

There are compounding factors that make it difficult for many who are on unemployment payments to secure employment. These include age, (dis)ability, and First Nations status. In September 2024, 40% of people on unemployment payments had a disability, 45% were over 45 years old, and 15% were from First Nations communities.⁵ Adequate income support for all, and effective employment services for those who have higher barriers to the labour market, are critical to improving the quality of their lives.

Pillar 2: Minimum wages

Minimum wages are set by the industrial tribunal - the Fair Work Commission (FWC). Increases in minimum wages fell behind increases in average pay as the FWC has been influenced by (unfounded) arguments that higher minimum wages would lead to higher unemployment. The FWC's treatment of the National Minimum Wage is discussed further in Thomas Greenwell's contribution to this publication. Post the pandemic, the FWC's decisions have meant the National Minimum Wage (generally the lowest wage that a worker can be paid) have kept up with the post pandemic lockdown surge in inflation.

For parents on minimum wages the problem of low wages is compounded by inadequate income supports. Parents on minimum wages may be entitled to Family Tax Benefits to help with the costs of raising children. However, since 2010 those payments have not been indexed to movements in pensions or average wages. These payments have not kept up with increases in the cost of living thus contributing to more children living in poverty.

Pillar 3: Full employment

Full employment can be described as circumstances in which people can secure the jobs and paid hours they seek without having to search for a long period.⁶ During the long post war boom from 1945 to 1974, Australian governments committed to full employment, keeping unemployment below 3%. This policy objective was achieved through a judicious combination of interest rate (monetary) and budget (fiscal) measures along with investment in extensive employment services to support access to employment.⁷

The commitment to low unemployment is reflected in the principles set to guide the Reserve Bank (RBA) in its actions. For example, the *Reserve Bank Act* requires the RBA to maintain full employment as well as keep inflation low. Unfortunately, since the early 1990s this policy prescription has been implemented in a one-sided way. The RBA's agreement with the government on monetary policy requires it to bring inflation into a target range of 2-3%, yet whilst acknowledging the full employment objective, there is no official target for unemployment contained in this agreement. Since inflation targeting was introduced in the 1990s, the RBA has kept unemployment higher than it should be, as a mechanism to reduce inflation.

A commitment to full employment means more than just everyone who wants a job having a paid job. A commitment to full employment should also mean employment that is properly paid, secure, and meets people's needs including a degree of control over paid working hours especially for people caring for a family member. Again, Thomas Greenwell's paper in this publication discusses the concept of full employment in more detail.

In today's labour market, insufficient and insecure paid working hours are as problematic as unemployment. There are more people underemployed (employed but seeking more paid hours) than unemployed (lacking paid work). All too often, shifts are offered to workers with little prior notice, too few paid hours to make ends meet, and at times that are unsuitable. This problem is most acute in entry-level jobs (such as retail sales, hospitality, caring or labouring jobs), less than half of which are offered on a full-time, permanent basis.⁸

Full employment doesn't only benefit people who are searching for a job. It is also good for those who are in employment. It means workers and their unions, especially those in entry-level occupations, are in a better position to bargain for decent pay and conditions. In this environment wages can grow faster, employers have an incentive to invest in productivity improvements (e.g. new equipment), and inequality of incomes is curtailed. We haven't had full employment since the 1970s (and even then it was limited to men employed fulltime). Reducing inflation has been prioritised over job creation, and the tools previously used to control inflation (such as incomes policies and regulation of key prices) were abandoned in favour of excessive reliance on higher interest rates and higher unemployment as tools to manage the economy.

Pillar 4: Employment services

A system of well-functioning, public, employment services underpin both income support and full employment, by helping people seeking employment train for and secure the jobs they need, and helping employers find the right workers. These services can reduce the time that many people are unemployed and relying on income support. They can also help others to escape cycles of unemployment and insecure jobs.

However, the present system of employment services ('Workforce Australia'), in which the government pays private providers to assist people on unemployment payments, is not effective. Instead of investing in the supports people need, especially when they've been unemployed for a long time, the current employment services system pushes people into the first available job under threat of loss of income support. In just three months from July to September 2024, over 300,000 people (half of all people with work related requirements using Workforce Australia services) were threatened with the loss of their next income support payment.⁹

In the current employment services system these threats are made automatically if the employment service provider believes a person has missed an appointment with them or haven't applied for enough jobs. The system provides little or no opportunity for people to explain their circumstances before their payment is threatened. There is also little, or no discretion afforded to the employment services provider to waive suspending income support payments. Those whose payments are to be suspended have no recourse to the government agency that pays income support (Services Australia) before their payment is suspended. This denial of natural justice is like the notorious Robodebt regime of automated social security debt repayments introduced in 2016. Robodebt was found to be inaccurate and unlawful, and to have threatened the health and well-being of those impacted.¹⁰

Instead of helping people find employment, the current employment services system undermines their security of income and mental health. Those subjected to this system can never be sure from one fortnight to the next that they will receive the payments they rely on to pay the rent and feed themselves. Also, far from reducing prolonged unemployment, this punitive employment services system entrenches it. For example, in 2024 of the 920,000 people on Jobseeker and Youth Allowance payments, 60% had to rely on income support for more than a year.

Lessons from COVID-19

The COVID-19 pandemic posed a sudden and unprecedented threat to lives and livelihoods. It prompted policies rarely used outside wartime to protect lives, jobs, and incomes. Those policies demonstrated that when governments are willing, and the public are supportive, we can reduce poverty and unemployment along with income inequality. During this period, in Australia, unemployment payments were doubled, wages were subsidised to keep workers employed, rent increases were capped, and accommodation was found for people living on the streets. There was an echo here of policies introduced in wartime that set Australia up for three decades of inclusive growth.

Through implementing these policies poverty was reduced by a third in a single year and by much more for those on the lowest income support payments. For example, poverty among people relying on Jobseeker and Youth Allowances fell from 88% before the pandemic to 26% while the Coronavirus Supplement was paid. Average incomes grew, and income inequality fell despite the recession brought about by COVID-19 lockdowns.¹¹

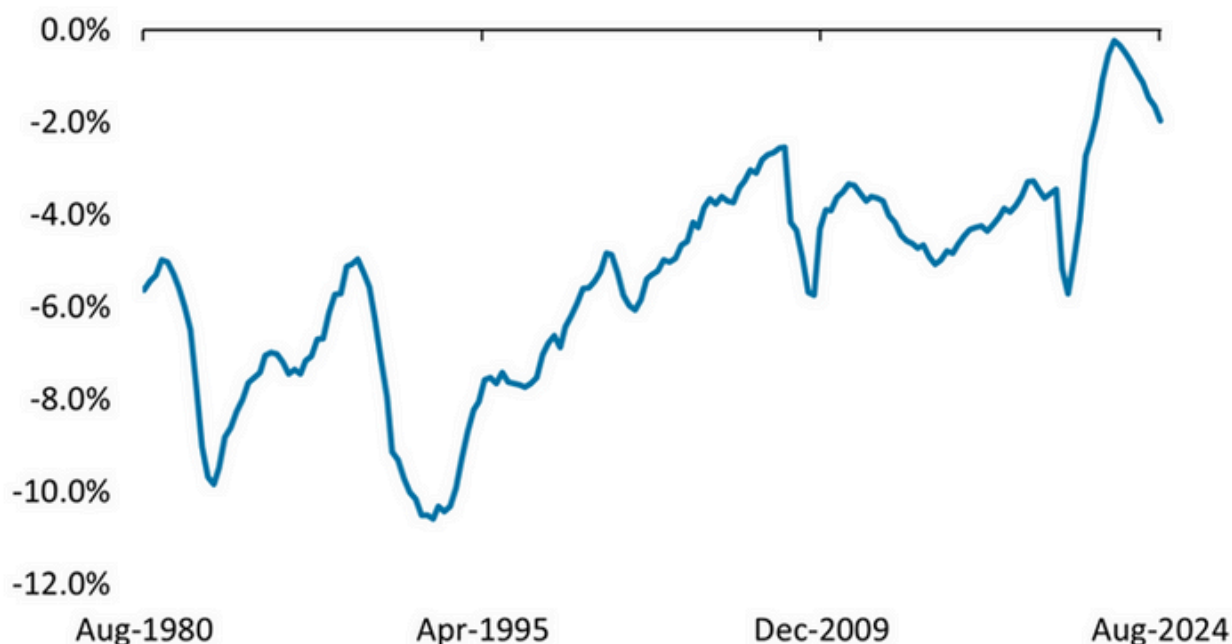
The income protections introduced in Australia during COVID-19 lockdowns were temporary. Income and housing supports were abandoned as soon as unemployment fell back to pre-COVID levels and no longer directly threatened most workers. People on income support were forced back into poverty and many of those given temporary accommodation returned to the streets.

There were some longer-lasting, modest improvements in income support and minimum wages arising from these measures. Between 2021 and 2024 Jobseeker was increased (beyond inflation adjustment) by \$45 per week. Single parents with a child aged 6-13 years were able to move from Jobseeker Payment to the higher Parenting Payment. Through decisions of the FWC to provide higher increases in the minimum wage, minimum wages preserved their real value even as growth in average wages fell behind inflation.

Pandemic related income and job protection policies, together with low interest rates, had one enduring and unexpected outcome – they laid the foundations to restore full employment. From the first lockdowns in 2020 through to 2022, unemployment fell by half from 7.4% (much higher if account is taken of subsidised jobs) to 3.5%. This was the lowest level in 50 years. Underemployment fell by more than half from 13% to 6% of the labour force.

Figure 2 shows that on one measure (the gap between the size of the labour force and employment plus job vacancies), the available workforce was almost fully 'utilised' in mid-2022.

Figure 2: Labour underutilisation - Gap between labour force and unemployment plus job vacancies

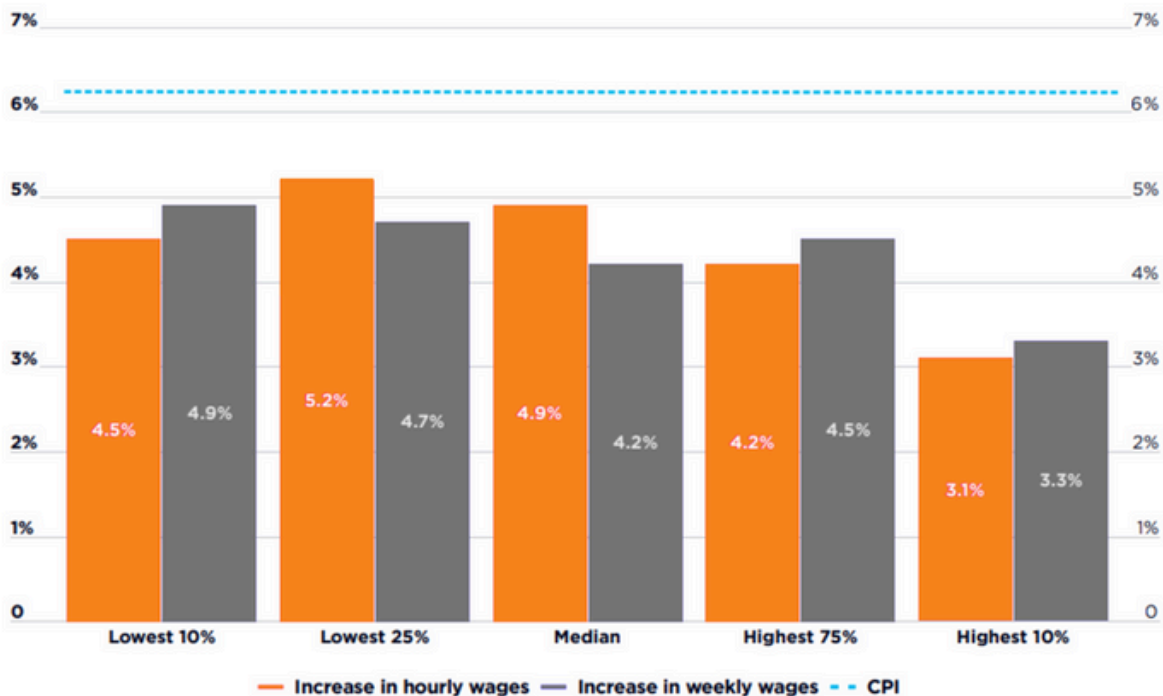


Source: ABS Labour Force Survey, ABS Job Vacancies, Deloitte Access Economics.

Despite this substantial reduction in labour force underutilisation, the 'price-wage spiral' feared by advocates of higher official interest rates, including the RBA, did not happen. Average wages continued to grow below inflation until late in 2023.

Although overall wages growth failed to keep up with inflation, wage inequality (including pay inequality between women and men) declined during this period of falling unemployment.¹² Figure 3 shows the trends in growth in wages over the period 2021-2023 according to their ranking in the distribution of wages (low, middle or high). The decline in wage inequality was due to substantial increases in minimum wages (through the FWC decisions) and tighter labour market conditions which mainly benefited low-paid workers as there were fewer of them competing for each job vacancy.

Figure 3: Average annual increases in wages and inflation (2021-23)



Source: ABS, Wage Price Index and Consumer Price Index.

As the Australian economy recovered from the pandemic the RBA sensibly lifted official interest rates above their 'emergency' level (of 0.1%), but then kept increasing them through 2023. This action by the RBA put the historic employment gains achieved during the pandemic at risk.

With a review of the RBA and an Employment White Paper under way, Australian policy makers had an opportunity to restore full employment by setting targets to reduce unemployment and underemployment. The Australian Government could have given equal priority to growing jobs and containing inflation in monetary policy, as well as fighting inflation directly (for example by curbing rent increases, reducing out of pocket costs for health and other essential services). Attention to improving competition in private markets such as retail could have also been prioritised. While the Government did act to grow care economy jobs, curb energy prices and support households directly, it missed the opportunity to fundamentally shift the priorities of the RBA by giving equal consideration to growing jobs and containing inflation. Making genuine full employment harder to achieve.

Applying the lessons from COVID-19

The pandemic experience showed us that 'returning to normal' is not good enough – a bolder approach is needed to overcome the rise in poverty and income inequality that has blighted Australia for at least the last 30 years. The following policy proposals, shaped around the four pillars of minimum incomes, would sharply reduce income inequality between those with the least and 'middle Australia'.

Income support

There is no justification for the \$180 per week gap between Jobseeker and related payments and pension levels. Forcing people out of paid work into poverty is cruel and it is not necessary to make them search for employment to the extent that they can. Australia's unemployment payments are the lowest among wealthy OECD nations as a proportion of average wages (when rent assistance is included).¹³

A decent social security system guarantees a decent minimum income for all. Previous governments recognised this. The Whitlam government lifted unemployment benefits to pension levels and the Hawke government committed to do so via its Accord with the ACTU, although it didn't fully implement this commitment.

To establish a decent social security system the government should:

- lift all income support payments (including Jobseeker, Youth Allowance and Parenting Payment) to pension levels (an increase of \$180pw in the case of Jobseeker payment) and index them to wage movements as well as the CPI
- introduce additional payments to assist with the extra costs of disability and caring for a child alone
- at least double Rent Assistance and index it to movements in rents (for example, increases in the lowest quartile of rents in Sydney, Melbourne and Brisbane combined).¹⁴

Minimum wages

The minimum wage is just 54% of the median (middle) fulltime wage. It should at least be restored to its previous level of 60% of the median wage. It should be sufficient, along with adequate Family Tax Benefits, to shield individuals and families relying on a single full-time minimum wage from poverty.

Full employment

Full employment was effectively abandoned in the 1990s when the RBA was required to give priority to keeping inflation at 2-3%. Despite its commitment to preserve the employment gains of the post-lockdown economic recovery, the RBA continues to view inflation reduction as its top priority. As a result, we are paying too high a price in lost jobs and incomes to bring inflation down.¹⁵

The Parliament should:

- legislate for equal consideration in monetary policy to be given to full employment and inflation control, as recommended by the Reserve Bank Review.

Governments should:

- set targets to reduce unemployment (for example, to 2-3% of the labour force and one or more job vacancies per person unemployed) and under-employment (for example, to 4-5% of the labour force) and include these targets in its guidance to the RBA on monetary policy
- continue to strengthen workplace relations laws to reduce the incidence of insecure employment and unpredictable and inflexible shifts
- take direct action to curb inflation rather than relying on higher interest rates at the expense of employment.¹⁶

Employment services

As in other areas of community services, the 'pseudo market' of competing private employment services funded by government has undermined the quality of services while the 'get tough' approach towards people on Jobseeker and other income support payments has failed to reduce prolonged unemployment.

The government established a parliamentary inquiry into Workforce Australia and related employment services ('Hill Report') which charted a way forward to alleviate the harms caused by the present employment services system and to improve their effectiveness.¹⁷ Progress has been made through a new voluntary public employment service for parents with a preschool age child (replacing the 'Parents Next' program) and reform of employment-related activity requirements for participants in the new Disability Employment Services. In contrast, the ineffective Workforce Australia program and the punitive 'Targeted Compliance Framework' are largely intact almost three years after the Albanese Government took office.

The government should:

- Urgently remove automated payment suspensions, pause payment penalties and work with people directly affected and advocates to replace the punitive unemployment payment compliance system with one based on natural justice and human rights principles
- Commit to fundamental reform of employment services including abandonment of the competitive model
- Invest in an annual 'jobs and training offer' to people unemployed long-term including properly paid work experience, career guidance, education and training, and abolish Work for the Dole
- Establish an independent statutory quality assurance and licensing body to ensure minimum standards of service and staff qualifications in employment services and encourage and support best practice

- Establish a permanent 'client council' comprising people using employment services and their advocates, and a broader advisory body (including representatives from the Client Council) to guide the development of a new employment services system along the general lines of the Hill Report recommendations.¹⁸

The above actions to strengthen the four pillars of minimum incomes will reduce income inequality and help ensure that all people in Australia are able to afford the necessities of life. These measures aim to reduce the gap between those on the lowest levels of income and 'middle' Australia. Whilst action is also needed to reduce the gap between middle incomes and a minority of highly paid employees and investors who have claimed a disproportionate share of the fruits of economic growth, providing better supports for those with the least should be a priority for government action.

In summary

- The living standards of those with the least – people relying on income support or a low paid job have fallen behind the rest of the community.
- Returning to 'normal' following the COVID-19 pandemic is not good enough. A bolder approach is needed to overcome the rise in poverty and income inequality in Australia.
- Initiatives to strengthen income supports and minimum wages, restore genuine full employment, and fix our failing employment services are needed.
- There is no justification for the gap between Jobseeker and related payments and pension levels.
- All income support payments should be raised to pension levels. These payments should be indexed to movements in wages and the CPI.
- The minimum wage should be restored to its previous level of 60% of the median wage.
- A commitment to full employment means more than just everyone who wants a job having one. A commitment to full employment should mean a commitment to employment that is properly paid, secure and includes a degree of control over paid working hours.
- The competitive model of employment services should be abandoned. Fundamental reforms, including removing automated payment suspensions, must be made to the system of employment services in Australia.

- ¹ Davidson et al (2024) *Inequality in Australia 2024: Who is affected and how*, ACOSS and UNSW.
- ² Davidson et al (2022) *Poverty in Australia*, ACOSS & UNSW
<https://povertyandinequality.acoss.org.au/poverty/>
- ³ CoreLogic (2024) *Australia's median rent hits new record, surpasses \$600 per week*,
<https://tinyurl.com/mupc9tu7>
- ⁴ ACOSS (2024a) *Raise the Rate FAQs*, <https://www.raisetherate.org.au/faqs>
- ⁵ ACOSS (2024b) *Faces of unemployment*, <https://www.acoss.org.au/faces-of-unemployment-2024/>
- ⁶ Australian Government (2022) *Working Future: The Australian Government's White Paper on Jobs and Opportunities*, <https://treasury.gov.au/employment-whitepaper/final-report>
- ⁷ Garnaut & Vines (2024) 'Monetary policy mistakes and remedies', *Australian Economic Review*, Vol 56 (3), 273-287.
- ⁸ ACOSS (2024b) *Faces of unemployment*.
- ⁹ DEWR (2024) *TCF Public Data, July-September 2024*, <https://www.dewr.gov.au/employment-services-data/resources/tcf-public-data-july-september-2024>
- ¹⁰ Commonwealth of Australia (2023) *Royal Commission into the Robodebt Scheme*, <https://robodebt.royalcommission.gov.au/publications/report>
- ¹¹ Davidson (2022) *A tale of two pandemics: COVID, inequality and poverty in 2020*, <https://povertyandinequality.acoss.org.au>; Phillips et al (2020) *COVID-19 Jobkeeper and Jobseeker impacts on poverty and housing stress*, <https://csmr.cass.anu.edu.au/research/publications/covid-19-jobkeeper-and-jobseeker-impacts-poverty-and-housing-stress-under>
- ¹² Fair Work Commission (2024) *Statistical report— Annual Wage Review 2023*, <https://www.fwc.gov.au/hearings-decisions/major-cases/annual-wage-reviews/annual-wage-review-2023-24/statistical-reporting>
- ¹³ OECD (2021) *Economic Surveys: Australia*, September 2021.
- ¹⁴ ACOSS (2024a) *Raise the Rate*.
- ¹⁵ ACOSS (2024c) *Briefing Note: The Squeeze*, 2 August 2024, <https://www.acoss.org.au/briefings/>
- ¹⁶ ACOSS (2022a) *Restoring Full Employment: Policies for the Jobs and Skills Summit 2022*, ACOSS; ACOSS (2022b) *Submission to the Review of the Reserve Bank*, ACOSS. Direct action could include reducing out-of-pocket costs for essential community and health services, capping rent increases and banning 'no fault' evictions, subsidies to improve the energy efficiency of low-income homes, and strengthening competition in private markets (such as retail and insurance) dominated by a few companies. On the other hand, competition through 'pseudo markets' regulated by governments to provide publicly subsidised essential services has increased costs for service users and governments rather than reducing them and undermined the quality of services without improving efficiency. Examples include childcare, health insurance and energy.
- ¹⁷ Commonwealth of Australia (2023) *House of Representatives Select Committee on Workforce Australia Rebuilding Employment Services: Final report on Workforce Australia Employment Services*
https://www.aph.gov.au/Parliamentary_Business/Committees/House/Former_Committees/Workforce_Australia_Employment_Services/WorkforceAustralia/Report
- ¹⁸ ACOSS (2024d) *Employment Services Reform and the Hill Report*, ACOSS.

06

Investing in renewables

*Reflections on the presentation by Tim Buckley
to the 2024 Living Standards symposium
-Dr Lisa Heap*

The cost of energy is a key cost of living concern for Australians - 64% of respondents to our survey discussed earlier in this publication, said it was very important to lower utility costs to reduce cost of living pressures. Participants at the 2024 Living Standards symposium had the unique opportunity to hear from Tim Buckley, Director, Climate Energy Finance (CEF), on his views regarding the cost of energy and the transition to renewable energy sources. Tim has 30 years financial market experience covering the Australian, Asian and global equity markets from both a buy and sell side perspective. In this reflection Lisa Heap summarises some of the key messages that Tim delivered about why we need to treat renewable energy as an investment. And why we need to act now.

From the beginning of his presentation to the 2024 Living Standards symposium it was clear that Tim Buckley was passionate about renewable energy and our need to act now to make up for lost time in Australia's transition to renewables. Tim's message was simple - the current framing around the energy transition is wrong. Rather than referring to the 'costs' of transition, Tim proposes that our narrative should be that renewables are an investment - and one that will be deflationary. Tim urged attendees to accept the climate science and realise there are massive risks, and massive opportunities for Australia in doing so. But nothing is guaranteed. He was firm in his views that if we let the incumbent fossil fuel majors set and dominate the narrative, as has been the case under Coalition Governments, Australia loses.



Tim noted that other countries are not leaving this transition to the free market and argued that if we leave the energy transition to the free markets, we are guaranteed to lose. For example, in the United States (US) the Inflation Reduction Act (IRA) was passed dealing with investment in several areas including energy transition, climate change and health. The US government proposed to invest US\$1TRN in support of initiatives under the IRA. Whilst the IRA has been consigned to history under the Trump administration, at the time that it was made the IRA represented one of the biggest government interventions in history to firmly put the US back into a technology race that China is winning. The Chinese Government has heavily invested in renewables and managing the energy transition for the last decade, driven by the need for energy security and other considerations. An interesting 'fun fact' that Tim cited at the symposium was that whilst Australia's target towards de-carbonisation included installing 6 gigawatts (GW) of renewable energy per year, China adds that amount in a week!¹

Thus, Tim's argument that Australia needs to move now, at speed and at scale.

Tim's concerns regarding the current state of play in several areas include:

- The Reserve Bank of Australia's (RBA's) and our governments' failure to factor into their deliberations the inflationary impact of rising fossil fuel energy prices, and the 'obscene' profit margins of mining companies, because of the war in Ukraine. Other authors in this publication, including Greg Jericho have also noted this as a concern.
- Corporate profits for the mining sector from fossil fuel exports not being reflected in a growth in wages in these sectors. Tim noted that Western Australia had some of the lowest nominal wage growth over the last 8 years, even as BHP and Rio Tinto iron ore were enjoying 60% gross returns on capital employed.
- Differential treatment of coal royalties between Queensland and New South Wales, the only two coal exporting states in Australia. Whilst Queensland introduced a higher coal export royalty in July 2022 which increases progressively over time, the New South Wales Government has failed to act in a similar way. As a result of this initiative the Queensland Government has raised over \$10bn per annum. This has been invested in accelerating the state's energy transformation. Funding enabling infrastructure and returning cost of living relief of \$1,000 per household annually to offset rising energy costs.
- The Coalition (LNP) blaming the rise in energy costs on the increasing use of renewables. Tim notes this is a false, but effective narrative that conveniently also undermines the climate science, to the benefit of LNP donors. In Tim's view it ignores the core factor driving energy inflation which is the hyper-charged fossil fuel commodity prices. It also ignores what Tim characterises as the deflationary impact of renewables.

Opportunities for now and into the future

At the symposium and in other publications Tim has argued that Coalition Governments have systematically derailed the clean energy transition.² This has been achieved by dismantling effective climate policies, undermining renewables investment, and fostering disinformation about emissions and the reliability of firmed clean energy. Our failure to act to reposition Australia as an investment leader in renewables and zero emissions industries of the future puts our economic and energy security at risk.

According to Tim the first term Albanese Government was forced into playing catch-up due to the inaction and undermining by the Coalition. A massive scale-up of energy transformation efforts are required if Australia is to meet its 82% renewables target by 2030.

To answer the question of what we must do now, Tim argued that we must pivot our economy, electrify everything, drive investment and research and development and accelerate deployments of 'firmed renewable energy' (FRE). What is FRE you ask? Whilst solar and wind power rely on weather conditions, these renewable energy sources can be 'firmed', making them reliably available, if they are integrated with other energy sources, particularly batteries, which Tim views as the biggest energy system disruption of 2025.

Ideas for action for a second term Albanese Government proposed by Tim include:

- A rapid rollout of transmission to enable electrifying everything.
- Accelerating deployment of firmed renewables, both via programs such as the Cheaper Home Batteries program and through mechanisms such as an enhanced Capacity Investment Scheme, creating regional jobs in clean industries, and clean affordable energy to underpin downstream industries and consumers.
- Decarbonising our key exports, such as iron ore in which we lead globally, pivoting to onshore value-adding of green iron, to embody decarbonisation in our key exports.
- Creating an environment of policy certainty for business investors.
- Strengthening collaboration on international climate, trade and carbon pricing policy with our key trading partners. Leveraging our economic and political influence as a middle power within the Asia-Pacific.

Tim presented a detailed plan for proactive action by the second term Albanese Government. Noting that the rejection of the anti-renewables framing of the LNP at the 2025 federal, and a pro-renewables cross bench in the Parliament provides a unique opportunity to position Australia as a renewables superpower in the emerging net-zero world economy.

¹ Dong (2024) *Monthly China Energy Update: China to Achieve its 2030 Installed Clean Energy Target in July 2024*, Climate Energy Finance, <https://climateenergyfinance.org/>

² See <https://climateenergyfinance.org/>

07

Revisiting the social wage

-Charlie Joyce

What is the role of public services and income support programs in shaping living standards? In this contribution Charlie Joyce revisits the concept of the social wage—public services and supports as a cornerstone of shared prosperity. Whilst noting that several pillars of the social wage like Medicare, public education, and public housing have been eroded, Charlie argues that rebuilding and expanding the social wage can raise living standards, promote inclusion, and restore trust in democratic institutions.

In the wake of the Covid-19 pandemic, Australia has undergone a significant inflationary surge that has seen the cost of many essential goods and services spike. This has contributed to a decline in living standards for many Australians, particularly the lowest paid and those with significant household debt. Discussion over the solutions to this crisis have focused on prices and wages. But wages are not the only factor making up the incomes of Australians, and tax should not be seen as a cost on the incomes of Australian workers. The national debate over inflation and living standards has undervalued the role of public services and income support programs in shaping living standards.



In this paper I revisit an old term in Australian political debate: the social wage. The social wage describes the cumulative material impact experienced by citizens from government spending on public services (such as health, education, and aged care), measures to improve their quality of life (including funding for recreation and public amenities), and direct income supports.

The Curtin-Chifley Government's 1945 White Paper on Full Employment discussed the social wage in the following terms:

Increased wages are not the only means by which workers receive a larger share of the national output. In Australia, a significant contribution to living standards has been made in the past, and will continue to be made, by a high level of social services. Some of these are in the form of direct money payments, such as invalid and old-age pensions, child endowment and widows' pensions. Others are services provided directly by governments and public authorities, including education, health and medical services, kindergartens and libraries.

The social wage shapes what income we receive and how we spend it. The public provision of income support payments such as JobSeeker, aged and disability pensions shape the incomes of millions of Australians, while the services governments provide – and how they are provided – affects what Australians must spend their incomes on. The social wage is enabled by taxation, is the tangible benefit to citizens' wellbeing resulting from taxation and combines with taxation to distribute incomes more equitably. Framing these provisions a wage evokes an understanding that living standards are not just determined by private, employment incomes, and that public services are a way through which the national economic output is distributed to ensure a more equal society.

The social wage featured prominently in the campaigns of the Australian labour movement during the last major period of high inflation through the 1970s and early-1980s. It was a key pillar of what became the Prices and Incomes Accord, signed by the Australian Council of Trade Unions (ACTU) and the Australian Labor Party (ALP) prior to the election of the Hawke government in 1983. Unionists understood that sustained improvements to working class living standards could not be won by wage demands alone, which were vulnerable to being erased by further inflation or job losses.¹ Instead, high living standards had to be established and sustained through a wider political program of macroeconomic reform, industrial strategy, and raising the social wage through the significant widening of Australia's welfare state. Government was recognised as the solution to the crisis, not the cause of it.

There are parallels between the era of inflation and declining living standards in the 1970s and early-1980s and our own era. Inflation, rooted in an international energy price shock, has eaten away at the spending power of wages. The ensuing economic precarity has undermined the political order and fuelled the growth of reactionary political forces, which blame government spending and preach cutbacks. Once again, public services and investment are essential solutions to the living standards crisis. Renewing and extending the social wage must be a central pillar of a political program to rebuild and sustain high living standards in Australia.

The social wage: what is working and what is not?

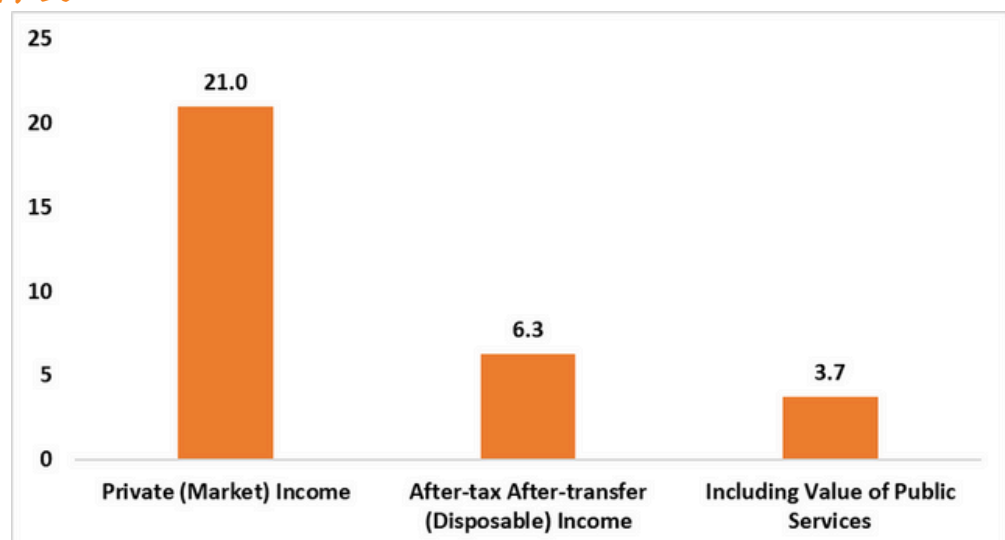
The social wage remains a critical foundation for the high living standards enjoyed by many Australians. Australians are cared for in public hospitals, enjoy free time in public parks, museums and galleries, and study in public libraries. Most Australian children are educated in public schools. Public income support payments and pensions are there if we are unable to work due to injury or disability, if we cannot find work, and for when we retire. Despite prolonged underinvestment, hundreds of thousands of Australians live in social housing – either public housing owned by governments or community housing funded in part by government. While these programs are all funded through taxation, the advantage of collective investment means most Australians receive greater individual benefit from income transfers and public services than they lose through their taxes.² And this does not account for the social benefits of living in a society where the foundations of decent living standards are widely distributed.

Reducing inequality

Taking a broader view, the social wage combines with Australia's taxation system to markedly lower income inequality by redistributing wealth from the richest to the poorest. As demonstrated in Figure 1 the ratio between the income of the richest fifth of households and the poorest fifth is reduced significantly by taxation, income transfers (such as pensions and benefits including JobSeeker, the Age Pension, or child benefits) and access to public services. Counting only private or market income from employment, investments, business ownership and other means (and before counting income transfers), the incomes of the richest fifth of households are 21 times more than those of the poorest fifth. However, after taxation and income transfers, this gap shrinks to six times those of the poorest fifth. And then public services reduce this gap even further to less than four times.³ Even though public services are used by everyone, they lift the total living standards of poorer households by a larger proportionate amount and ensure Australia is a far more equal society.

Figure 1: Income inequality in Australia before taxation, after taxation, and after social services, 2019-20

Ratio of income of richest 20% of households to poorest 20%



Source: Stanford (2022) *A strong tax base reduces inequality*, The Australia Institute, <https://australiainstitute.org.au/post/a-strong-tax-base-reduces-inequality/>

As discussed by Peter Davidson in his paper in this publication, during the pandemic's peak in 2020 and 2021 the social wage was extended on an unprecedented scale. The JobSeeker unemployment benefit was effectively doubled while its punitive means testing and conditionality was relaxed, providing income security to thousands of newly unemployed workers. The JobKeeper wage subsidy program was introduced ensuring continuity of income and employment for more than one in four Australian workers.⁴ And for three months in 2020, early childhood education and care was recognised as an essential service and made fee-free. These measures, while imperfect, combined to maintain social solidarity, alleviate material deprivation, and support public health policy during these crucial months of pandemic containment.⁵ Without the social wage, Australia doubtlessly would have fared worse through the Covid-19 pandemic.

Erosion

The social wage still effectively raises Australian living standards and promotes equality. However, many central pillars of the social wage—including Medicare, public education, and public housing—have been eroded following decades of insufficient and inefficient investment. This erosion of these crucial public services has exacerbated the living standards crisis.

Medicare

In the case of Medicare, bulk billing rates – the percentage of clinics offering medical appointments free of up-front patient cost – declined by 11% in 2023 and have nearly halved since 2018; less than one in four clinics now bulk bill all clients.⁶ Meanwhile, the average patient contribution for a GP appointment is now nearly \$45, having steadily increased since 2010.⁷ Difficulty in affording a GP appointment results in easily treatable conditions going unseen, causing emergency departments at (free) public hospitals to be swamped by avoidable presentations. Two thirds of patients who present to public hospital emergency rooms now wait for over four hours to be admitted.⁸

Public Education

Public education has faced persistent underfunding. The 2011 Gonski review into school funding developed the Student Resource Standard (SRS), a measure of minimum funding required for schools to have at least 80% of their students achieving learning outcomes above the national minimum standard in NAPLAN for reading and numeracy. According to the SRS, only 1.3% of public schools are adequately funded.⁹ This underfunding prevents students in public schools – over 2.6 million students or about two-thirds of all school pupils – from reaching their full potential. At the same time, 98% of private schools have been funded by the government at or above the SRS – and these schools additionally receive student tuition fees.¹⁰ The announcement in March 2025 that the Commonwealth will increase its funding contribution for public schools to fully meet the SRS (and reduce the overfunding of private schools) is an overdue change to this remarkably unequal system.

ECEC

Early childhood education and care (ECEC) is currently unaffordable for many families, despite the sector receiving government funding amounting to \$14.8 billion in 2022-23.¹¹ Though substantially publicly funded, the ECEC sector is administered by not-for-profit

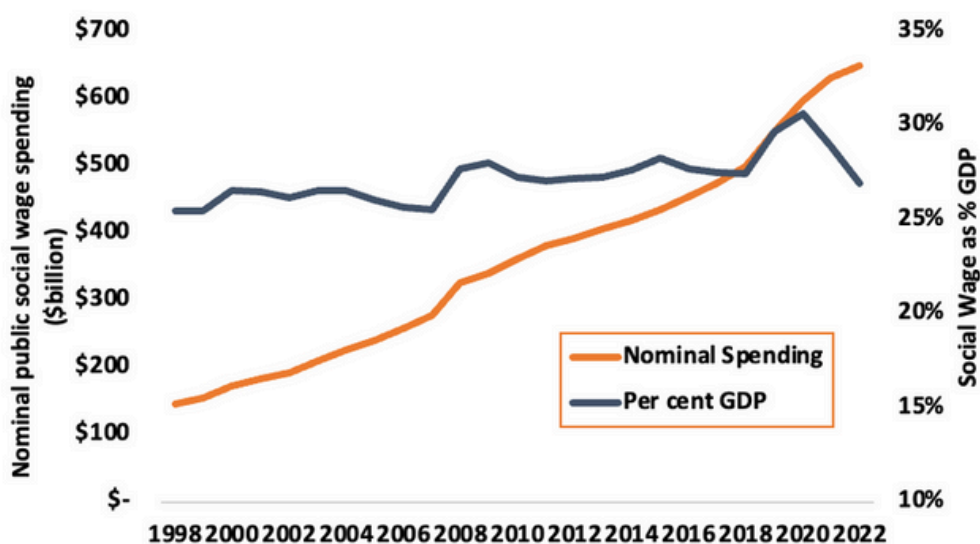
organisations, for-profit businesses, and local government authorities. Over half of ECEC centres are privately owned and run for-profit.¹² Private for-profit ECEC delivery is associated with serious quality problems, including poor working conditions, understaffing, and inadequate training, driven by the incentive to expand profit margins for private owners of those facilities.¹³ Meanwhile, Australian parents pay some of the highest ECEC fees in the world.¹⁴

Public Housing

The public housing system, historically a foundational pillar of Australia's social wage, is also being eroded whilst housing affordability in Australia is developing into a crisis.¹⁵ The number of Australians on the public and social housing waiting list has grown significantly over the past years, from more than 140,000 in 2018 to nearly 170,000 in 2023.¹⁶ And this undersells the problem: the absence of investment in public sector housing construction and maintenance in many jurisdictions has led to a decline in quality and shortages, which dissuades many Australians from even applying.¹⁷

The erosion of these pillars of the social wage has exacerbated the living standards crisis, increased inequality, and undermined Australia's social solidarity. But this has not been simply due to a withdrawal of public social spending. Social spending has continued growing in nominal terms and has remained relatively steady as a percentage of GDP over the past decades. Figure 2 presents changes in Australian government spending on the social wage, between 1998-2022. It shows Australian nominal social spending has increased steadily all through the 21st Century. As a proportion of GDP social spending has remained between 25% and 28%, spiking only in 2020 at the height of the pandemic.

Figure 2: Australian Government public spending on social wage, 1998-2022
Combined spending on housing, health, education, recreation, amenities, and social protection, presented in nominal terms and as a percentage of GDP



Source: Author's calculations from OECD Social Expenditure Database (2024)

Figure 2 demonstrates that Australia has not experienced cuts in spending; rather, the erosion of Australia's social wage has more complex causes than mere underfunding.

What has caused the erosion of the social wage?

There are two broad dimensions to the erosion of Australia's social wage. The first dimension relates to the increased demands placed on Australia's social services. This is occurring for several reasons including: Australia's ageing population has increased strain on aged care and healthcare systems;¹⁸ increased women's workforce participation has created greater demand for ECEC services;¹⁹ growing community expectations of social care and support, particularly for disabled people, have shifted greater responsibility onto government;²⁰ and the Covid-19 pandemic has caused a severe and prolonged shock to the healthcare system.²¹ These factors together would be enough to substantially increase demand for social services, rendering the status quo of public funding insufficient.

Impact of marketisation

However, there is a second dimension to causes of the erosion of Australia's social wage: the transformation of the provision of government services along neoliberal market principles.²² The first and most significant aspect of this transformation is the marketisation of service provision, whereby governments have sought to create markets for providers of social services. Markets have been created for users by publicly funding private alternatives as well as public schemes, such as through tax concessions for superannuation alongside the direct funding of the age pension, private health insurance subsidised alongside Medicare, and overfunding of private schools alongside underfunding of public schools. In other areas of service provision, such as aged care, ECEC, and disability support, users receive public subsidies to purchase services in a market of for-profit businesses and not-for-profit organisations. And in select areas such as employment and homelessness services, governments have contracted private companies to deliver services that were once delivered by the public sector.

Social service marketisation has been justified as providing users (reframed as 'consumers') with choice in how they receive support, as improving efficiency in service delivery, and as allowing governments to distance themselves from the day-to-day operation of services.²³ However, in practice, social service marketisation often leads to the siphoning of significant public funds towards the profit margins of private providers: effectively social wage theft. Many private service providers, particularly in ECEC, aged care, and disability support, are highly profitable as these organisations prioritise profits over service quality.²⁴

Service markets also exacerbate inequalities, as those who can afford to pay additional costs for private services receive higher quality services than those who cannot. Moreover, administrators have struggled to regulate complex and diffuse service markets to ensure high standards of service provision, leading to regulatory failure as evidenced in the Royal Commission into Aged Care (2021) and the Australian Competition and Consumer Commission (ACCC) Childcare Inquiry (2024).

Powerful private providers influence their own regulation to maximise profit.²⁵ For workers, outsourced social services can feature prevalent poor employment practices including insecure work and low pay – often with significant gendered implications as most workers in social services are women.²⁶ For users, administrators, and workers in these sectors, marketisation has resulted in worse outcomes.

Means testing and conditionality

The second way neoliberal principles have transformed the provision of the social wage is through the proliferation of means testing for social services (otherwise known as targeting or conditionality). Neoliberal ideology emphasises individual initiative and the rationality of the free market and is deeply suspicious of welfare dependency.²⁷ Reflecting this, means tests restrict the provision of benefits and government services in order to minimise interference in the market, as well as to motivate and discipline benefit recipients into reengaging with the private market as workers and consumers.²⁸

Australia's social services are presently among the most means tested in the world, with most income support payments (and, until recently, childcare subsidies) requiring incomes and assets tests.²⁹ Means testing has always been a feature of Australia's welfare model, in contrast with more universalist models of social security provision found in northern Europe.³⁰ However, where once means testing in Australia mainly aimed to exclude those with high incomes from receiving benefits,³¹ means tests mostly now targets benefits to the very poor or needy.³² Several income support payments also come with conditions attached, including the mutual obligations of JobSeeker and compulsory income management schemes targeted to Indigenous communities. The impact of neoliberal principles on the unemployed and the provision of employment services is discussed further in Peter Davidson's contribution to this publication.

Means testing and conditionality are generally supported on the basis that they save money and resources by ensuring that benefits are provided only to those who are truly needy.³³ However, creating additional hurdles to access can result in less take-up by eligible recipients.³⁴ The testing of eligibility creates a significantly greater administrative burden than a universal scheme and potentially directs administrators towards enforcing compliance rather than ensuring access.³⁵ In contrast, universal benefits are simpler and thus more economical to administer, and the lack of bureaucratic hurdles generally results in greater take-up by eligible recipients.³⁶ While an absence of means tests can lead to greater cost of provision and to programs being provided to those who may not necessarily need support, this can be accounted for through progressive taxation on wealth and high incomes.



Rebuilding Australia's social wage

A rebuilt and extended social wage can effectively raise living standards, promote social solidarity, and rebuild trust in democratic institutions. But to do so, it must break with existing modes of neoliberal provision. How instead should our social services be designed? I argue this can be achieved through the adoption of new principles for social security provision: universality, services free at point-of-use, and public operation.

Universality

Universality means social programs are accessible unconditionally, rather than determined on income level, contributions, or performance. There are important social and political reasons to prioritise universality. Universal programs generally attract broader and more stable support, as recipients cannot be stigmatised, and promote social solidarity. The public political support enjoyed by Medicare is illustrative of this. The backlash to the 2014 attempt to introduce \$7 Medicare co-payments and the prominence of Medicare through the 2016 and 2025 federal election campaigns demonstrate a significant public constituency that can be mobilised towards protecting Medicare, a universal program available to all Australian citizens.

Free at point-of-use

A rebuilt and extended social wage must also include more public services provided free at the point of use. Key components of Australia's social wage were originally intended to be free, including Medicare GP and public hospital visits, public schools, and public libraries. However, many services now incur user fees and other charges, putting financial pressure on users and, in some cases, dissuading use altogether. This includes GP appointments and arguably includes public education, where schools pressure parents into paying voluntary contributions to cope with their lack of public funding.³⁷ Guaranteeing that public services are free at point of use is necessary to ensure they are accessible to all, and that they do not contribute to cost-of-living pressures.

Public provision

Finally, to maximise their efficiency and public support, social services should be publicly provided. As noted, the private provision of social services has resulted in worsening outcomes for users, administrators, and workers. To ensure social services are of high quality and meet public expectations, governments should accept responsibility for their delivery. This is not a solution in itself—governments are certainly able to deliver substandard services. But public provision ensures democratic accountability and greater public oversight of service delivery, as well as removing the imperative of profits.

An initial step towards public provision of social services is to create new public service providers – owned and operated by government – that can compete within social service markets with private providers by prioritising accessibility and service quality over profitability.³⁸ In some areas of social service provision, this may be sufficient to ensure quality and accessibility; in other areas, comprehensive reform may be needed to create universal, free public service delivery.

Future directions for reform

Reflecting the principles of universality, free access at point-of-use, and public operation, how can Australia's social wage be renewed and extended? The following are several broad directions for reform that would rebuild Australia's social wage and raise living standards. The suggestions provided here are not all-encompassing, and efforts to rebuild the social wage and raise living standards should not be so limited. Nevertheless, they are a start. None of the proposals detailed in these sections are utopian, unaffordable, or impossible to administer; they are largely evolutions and extensions of existing programs. Together they would have a significant impact by raising living standards and lowering the costs of living.

Secure and affordable housing for all

Australia's housing market is eye-wateringly expensive, forcing most prospective buyers who can afford deposits into mortgages of hundreds of thousands of dollars, and the increasing number who cannot afford deposits into the insecurity of the rental market. The latter group, renters, have been lashed by inflation, while the former, mortgagees, are stricken by interest rate rises. This status quo of ever rising house prices is clearly untenable, and the solution to this cannot be more government subsidisation of demand through mortgage rebates and rental support.

Instead, we need a supply side solution that will genuinely supply affordable, decent housing. That solution is the significant expansion of public housing construction. Prioritising public housing construction will remove demand from the private market – meaning less competition for prospective buyers and renters – and provide housing for those who need it most.³⁹ This should be accompanied by regulatory and tax reform aimed at disincentivising speculative property investment, incentivising the release of existing property onto the market, and facilitating the private construction of new, sustainable, high-quality housing.

Fully funded, accessible public education

Universal access to school education is a core and essential feature of a democratic society, but currently severe inequalities exist within Australia's school system between public schools and non-government private schools.⁴⁰ Governments must invest in public education to restore equity to Australia's education system. The commitment by the Commonwealth Government in March 2025 to increase its funding contribution for public schools is a positive step in this direction. It should be followed by further reform and investment to restore equity to Australia's education system.

As well, governments should create a universal, free, public ECEC system modelled off the public school system.⁴¹ Universal childcare will remove a significant expense for many families and allow for more parents – particularly women – to enter paid work.⁴² Doing so would also benefit children at critical stages of their education and social development. The Albanese Government has committed to making ECEC universal and has taken important steps towards creating a system where every child has access to at least three days per week of ECEC.⁴³ However, this is still largely through subsidising non-government – mainly for-profit – providers, risking a continuation of the problems associated with for-profit provision discussed earlier. Instead, the Commonwealth Government should move to phase out for-profit provision of childcare and develop a national ECEC system that is universal, free at point-of-use and publicly provided.

Comprehensive, universal healthcare

A rebuilt, strengthened Medicare system must be a central priority for boosting Australia's social wage and relieving cost-of-living pressures. As a priority, governments must restore access to bulk billed healthcare appointments. Restoring bulk billing would widen accessibility and take pressure off public hospitals. It is estimated to cost close to \$950 million per year for all GP appointments to be bulk billed.⁴⁴ Positively, the Albanese Government has pledged to strengthen bulk billing incentives so that 90% of GP appointments are bulk billed by 2030.⁴⁵

Additionally, governments should add dental health care to Medicare to improve health outcomes and take pressure off household budgets. The exemption of dental health care has significant flow on effects for Australia's public health system: 80,000 hospital visits per year are for preventable dental conditions. Oral health problems have been linked to a range of chronic illnesses.⁴⁶ In 2022-23, 2.3 million Australians skipped or delayed necessary dental care because of the cost. The Commonwealth Parliamentary Budget Office has estimated the initial annual cost of uncapped universal basic dental care at \$6 billion.⁴⁷

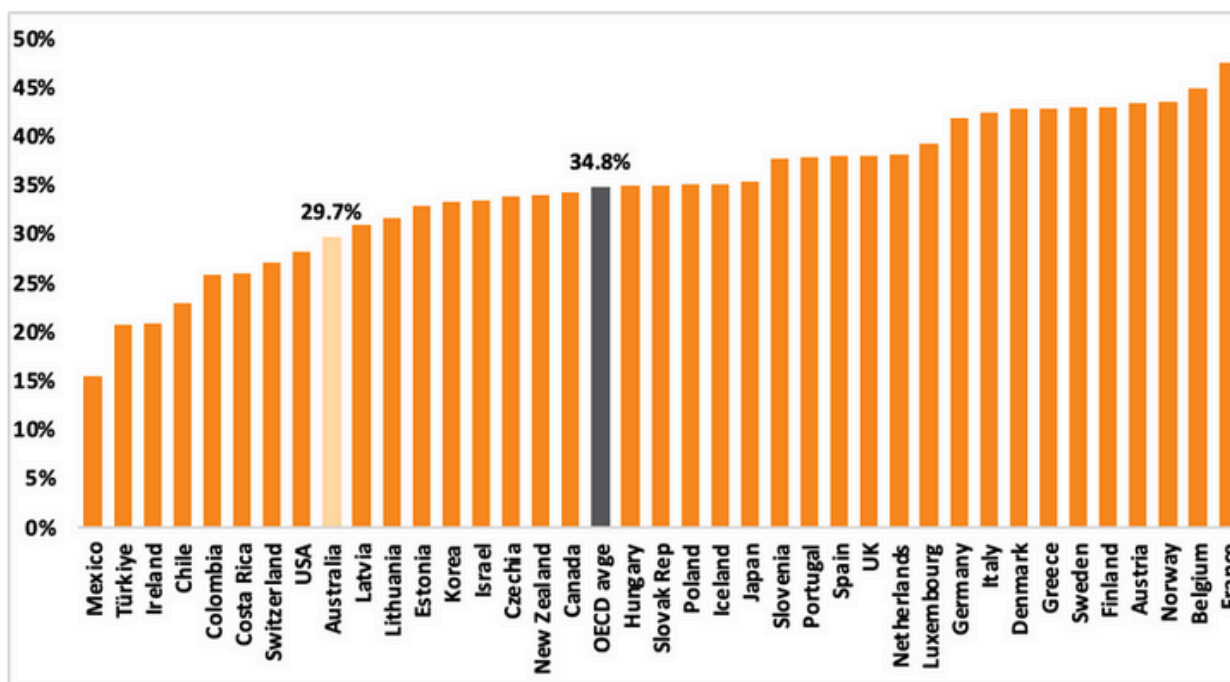
Currently, the rates of payments such as JobSeeker, Austudy and Youth Allowance are far too low to meet minimum living standards and, in the case of JobSeeker, enable an unemployed worker to re-enter the labour market. As Peter Davidson has argued in an earlier contribution to this publication, we must all raise income support payments to the level of the age pension and fundamentally reform the mutual obligations system.

Funding the social wage

Most of these proposals for renewing and extending the social wage come with costs that are affordable, but significant. To ensure the long-term viability of an extended social wage, greater government revenue must be raised.

A common misconception is that Australia's economy is overburdened by tax. Yet the simple truth is that Australia is a low tax country by international standards. As shown in Figure 3 below, Australia collects less tax than most OECD countries. If the Commonwealth Government was to increase the level of revenue it collects from taxation to the OECD average the Commonwealth would have had an extra \$140bn in revenue in 2023-24. This is equal to 20% of the present Federal Budget.

Figure 3: OECD Countries ranked by Tax to GDP Ratio



Source: OECD Revenue Statistics (2022) presented in Grudnoff (2024), *Income tax in Australia's tax system*, The Australia Institute, <https://australiainstitute.org.au/report/australias-reliance-on-income-tax/>

Funding for new social programs need not come from increasing taxes in workers' incomes or consumption. Instead, there are many alternative, progressive ways that revenue for an expanded social wage could be raised in the foreseeable future. The Commonwealth could reduce superannuation tax concessions which exacerbate income and gender inequality and cost over \$50 billion each year in foregone revenue.⁴⁸

Generous subsidies provided to the fossil fuel industry could be pared back, releasing \$12.5 billion in federal government funding and \$2.4 billion in state and territory governments.⁴⁹ Higher taxes could be levied on Australia's gas industry. This incredibly profitable industry pays no Petroleum Resource Rent Tax; further, no royalties are paid on half of all gas exports.⁵⁰ Capital gains tax discounts and negative gearing, which cost the government around \$20 billion in foregone revenue each year, could be abolished.⁵¹ These measures would not just aid in raising the necessary revenue to renew and extend the social wage – they would also promote equality and environmental sustainability in their own right.

Conclusion

While the social wage still underpins the decent living standards enjoyed by many Australians, social services have suffered through decades of neoliberal reform, exacerbating the post-Covid living standards crisis. We must now seek to renew and extend the social wage adopting principles of universality, free access at point-of-use, and public operation. These principles ensure accessibility, accountability, and efficiency. They also promote social solidarity by guaranteeing social services as rights of citizenship. Some practical steps to expand the social wage have been outlined in this paper. The second term Albanese Government is already considering aspects of the proposals outlined above. These proposals are affordable as significant public revenue could be raised without raising taxes on incomes or consumption. Given declining living standards, renewing and extending the social wage must be prioritised.

In summary

- Renewing and extending the social wage must be a central pillar of a political program to rebuild and sustain high living standards in Australia.
- Many of the central pillars of the social wage including Medicare, public education, and housing have been eroded following decades of insufficient and inefficient investment.
- The social wage has been eroded through increasing demand and the impact of neoliberal market principles on the provision of government services.
- The principles underpinning a rebuilding of the social wage should include universality, public services being free at the point of use, and the public delivery of social services.
- Proposals to renew and extend the social wage include: secure and affordable housing for all; fully funded accessible public education; comprehensive, universal health care; and income support payments that are set at a level that promotes the well-being and dignity of recipients.
- Australia is a low tax country. An extension of the social wage can be paid for by increasing taxes and reducing subsidies to the fossil fuel industry.

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08

What the people say: Australia's housing crisis

- *Charlie Joyce with The Honourable Doug Cameron*

Should housing be treated as a human right? Will this make housing more of a priority for government action? In a conversation with The Honourable Doug Cameron, Charlie Joyce explores these questions and the key findings of the People's Commission into the Housing Crisis which was held in 2024.¹



A secure, decent home is the foundation for a good life. But for a growing number of Australians, this is falling out of reach. More people are experiencing housing stress than ever before as house prices have skyrocketed and secure affordable rental housing has become increasingly inaccessible. Over 640,000 households need social housing but cannot get it, and 122,000 people experience homelessness on any given night.² Australia is facing a housing crisis.

In 2024, national housing campaign Everybody's Home convened the People's Commission into the Housing Crisis.

The Commission had three main aims:

- document the experiences of people struggling to access affordable and suitable housing
- study how current policy settings affect housing affordability and accessibility
- detail actions that governments can take to improve affordability and access to housing.

Leading the Commission were Professor Nicole Gurran, a distinguished housing policy expert from the University of Sydney, and The Honourable Doug Cameron, former Senator for New South Wales in the Australian Parliament (2007 - 2019). Cameron had been Parliamentary Secretary for Housing in 2013, and Shadow Minister for Housing and Homelessness from 2016-2019.

Cameron, speaking with the author, described the purpose of the Commission simply:



Fundamentally, it was trying to deal with one of the major social and economic problems facing working families around the country: the capacity to put a roof over their heads.

Over several months, the Commission invited submissions and conducted hearings into the housing crisis. This culminated in a final report, *Voices of the Crisis*. The report documents the human impact of the housing crisis. It features excerpts from the testimonials of witnesses including Christopher, whose life has been profoundly shaped by housing insecurity:

*The story of my last 18 years of survival is harrowing and heartbreaking. I'm broken. I'm burnt out. I'm furious that my chances at improving my life have been hampered at every turn by government inaction and cynical policies ... I could have been something ... Instead I've been unable to study or work or hold meaningful social connections because I've been struggling to keep a roof over my head.*³



Lucie, another witness, reported taking on three jobs to provide stability for her family and continue to pay rent:



*Every chance I get I am working only to pay rent and bills. I have nothing left over. I am exhausted. I have had just four days off in six months ... We have a roof over our heads but I am struggling to pay all the basics. I sometimes do go without to provide for my kids, meaning skipping meals.*⁴

Housing unaffordability and insecurity have been central factors of the living standards crisis afflicting Australians since the Covid-19 pandemic. The costs of rents have increased significantly, with nation-wide average asking rents for units increasing 55%, from \$365 per week in March 2020 to \$565 in June 2025. Asking rents for houses have increased 60% across the same period, from \$450 to \$722.⁵

The cost of buying a home has reached staggering new heights, with the average Australian home now worth more than \$1 million.⁶ Aspiring homeowners are driven to take out substantial mortgages. As of March 2025, the average new home loan for an owner-occupier is \$660,000.⁷ Households with large mortgages are vulnerable to interest rate increases, such as those which occurred between May 2022 and December 2023, which put extraordinary stress on the finances of many families.

These numbers alone are alarming, but it is their real human impact that is most confronting. The Commission ran a survey into how households were coping with high housing costs. Respondents reported avoiding heating or cooling their homes (52%), avoiding doctor's appointments (45%), skipping meals (32%), relying on credit cards or Buy Now Pay Later schemes (31%), falling behind on bills (30%), and seeking support from food banks or charities (19%).⁸

Longer term impacts of high housing costs included delaying important life events such as moving out of home or having children. Emily, another Commission witness, felt her life had been put on hold because of high housing costs:



I am currently unable to move out of my parents' house, additionally my partner of eight years is also unable to move out and he moves between his dad's and mum's and my family's houses. We are worried that even with full time jobs, we will be unable to move out of home.⁹

The Commission also documented how inadequate rental protections and checks on landlord prerogative exacerbates feelings of housing insecurity for many renters, even if their landlord has no intention of eviction.¹⁰ This drives feelings of anxiety and insecurity for renters, as well as dissuading tenants from asking for repairs or exercising their rights under rental protections that do exist. Colleen, another witness, described her despair in navigating the private rental market:

I feel stressed out about keeping on top of my rent because if the landlords decide they no longer want me as a tenant, then I would find it almost impossible to secure another rental. As a single mum, we are always the last to be picked.¹¹



The consequence of this disempowerment and broader housing unaffordability is that many renters endure living in dire conditions. Amy, one witness, reported that landlords frequently delay or neglect necessary upkeep, which can result in poor living conditions including structural faults:



We live in a substandard home that is crumbling down around us. It needs much more than spot repairs, it needs gutting ... The poor integrity of this house means I have respiratory irritation from the dust and mould we're always working to keep out ... Living here is mentally taxing.¹²

Australia's housing system has not always been like this. As *Voices of the Crisis* outlines, Australia's housing system in the post-war decades was characterised by affordable, decent homes. This system was underpinned by government housing construction and provision. Between 1945 and 1970, government builds accounted for 16% of total national residential construction.¹³ These were public housing for working- and middle-class people and families, workers in the private and public sectors, those born in Australia and new migrants. This era also saw a boom in private residential construction, the prices of which were moderated by the abundance of public housing supply.

However, over the past four decades governments have moved away from providing homes for people other than defence force personnel. The focus of government housing policy shifted to so-called market solutions, including subsidies to very low-income earners to rent privately and financial incentives for first home buyers. Public funding has also been directed towards non-governmental community housing providers to provide affordable housing in lieu of government-provided public housing. Furthermore, governments have created incentives for housing investors, including negative gearing tax deductions and capital gains tax exemptions.¹⁴ Uniting these changes is a move towards a neoliberal approach to housing policy.

When asked his view on what caused the housing crisis, Cameron replied simply: "neoliberalism". Cameron credits changes in government housing policy over the past four decades for causing the present housing crisis:

People were convinced, ministers were convinced, that the market was quicker, more efficient, and more effective, and where that might be true in a lot of areas it is not true [for] social welfare.



The consequences of Australia's neoliberal turn in housing policy are clear and dire.

So, can Australia's housing crisis be addressed? Might Australia provide affordable, decent housing once again? Cameron believes it can be done, but it requires governments to firstly understand the scale of the crisis:



If governments understood the problem, they would deal with the tax distortions that drive housing prices up. They would make housing part of a human rights agenda. They would ensure that there was a hope and a pathway for people to get a roof over their head, because if you can't get a roof over your head you can't make any contribution—let alone a positive contribution—to the economy.

The Commission recommends a series of changes to government housing policy to address the crisis including:

- that Australian governments return to a policy of building and providing housing on a significant scale
- calling for 15% of total new housing supply over the next 20 years to be social housing
- the establishment of a national government housing development corporation.

Accompanying this public housing construction drive, the Commission recommends:

- boosting rental assistance payments
- abolishing the capital gains tax discount and negative gearing for property investors
- a reform effort coordinated across all levels of government to limit unfair rent increases, end no-cause evictions and enact minimum standards, and ensure First Nations housing justice

These recommendations are underpinned by a shift in government policy to treat housing a human right. This would elevate the importance of housing policy, according to the Commission. Cameron agrees:

[To consider housing a human right] would mean that it would have to be a priority for government, so instead of feeding taxpayers funds to the UK and US military industrial complex [through AUKUS], they would use some of those funds to resolve the housing crisis in Australia.



Cameron believes that the policy solutions are common sense, if only the political challenges can be overcome:



There is no economic argument to subsidise home ownership the way it is. There is no economic argument for diverting government funds to drive up housing prices through capital gains tax and negative gearing. There is no economic argument to ignore the costs of the health problems, the education problems that arise from people having no access to affordable homes.

The Albanese government has been re-elected with a historic mandate following a campaign where housing policy was central to the debate. It remains to be seen whether they will embrace this opportunity to transform Australia's housing system to meet social needs and once again guarantee secure, decent homes as the foundation for Australians' high living standards. "If we don't do it now," challenges Doug Cameron, "when will it be done?"

¹ Details of the People's Commission into the Housing Crisis and the report from that Commission are available at <https://everybodyshome.com.au/peoples-commission/>

² Everybody's Home (2025) *Housing in Crisis: A Snapshot of Australia*, <https://everybodyshome.com.au/>; ABS (2023) *Estimating Homelessness: Census*, <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/2021>

³ Everybody's Home (2024) *Voices of the Crisis: Final Report of the People's Commission into Australia's Housing Crisis*, at 18.

⁴ Everybody's Home (2024) *Voices of the Crisis*, at 18.

⁵ SQM Research (2025) *Weekly Rents, Week ending 12 June 2025*, <https://sqmresearch.com.au/weekly-rents> Week ending 12 June 2025.

⁶ ABS (2025) 6432.0 *Total Value of Dwellings*.

⁷ ABS (2025) 5601.0 *Lending Indicators*.

⁸ Everybody's Home (2024) *Voices of the Crisis*, at 19.

⁹ Everybody's Home (2024) at 20.

¹⁰ Everybody's Home (2024) at 27-28.

¹¹ Everybody's Home (2024) at 26.

¹² Everybody's Home (2024) at 27.

¹³ Pawson et al. (2020) *Housing Policy in Australia: A Case for System Reform*, Palgrave Macmillan.

¹⁴ Everybody's Home (2024) *Voices of the Crisis*, at 13-14; see also: Pawson et al. (2020) *Housing Policy in Australia*; Anderson (2024) *For more affordable housing we need more public housing*, <https://australiainstitute.org.au/post/for-more-affordable-housing-we-need-more-public-housing/>; Grudnoff (2025) *One way to improve the "dumpster fire of dumb stuff" which is Australia's housing policy*, <https://australiainstitute.org.au/post/one-way-to-improve-the-dumpster-fire-of-dumb-stuff-which-is-australias-housing-policy/>



09

Building movements for progressive change

- Dr John Falzon



What does it take to lead social change that reduces inequality and creates unity and social justice? At the 2024 Living Standards symposium John Falzon offered this reflection on the forces that create and sustain a living standards crisis. John reminds us that our strength comes from working people working together in pursuit of a shared vision. It is a vision that rejects the divisions created by neoliberal economic and social policy and values. The key to social change, John argues, comes from creating a shared vision that includes us all, and developing the courage to start from here – where we are now, in the battles we are currently waging, to forge a new future together.

Stories have a habit of getting into our bones. Even when the story is built on patent lies it can seep into our consciousness, warping our sense of reality. Such has been the ideological power of neoliberalism. It is a story that has predictably shaped the policy agenda of conservative governments. Less predictable, however, has been the way in which it has defined the limits of the possible for labour and social democratic parties. Hence the stunning claim made by Margaret Thatcher, that her 'greatest achievement' was Tony Blair's New Labour, with its Third Way iteration of the neoliberal agenda.

The so-called 'cost of living crisis' (really a cost of profits crisis), intersecting with a cluster of related crises at home and across the planet, have together created the conditions for a wholesale rejection of the neoliberal story. A good example of this is the popular disavowal of the trickle-down theory. But even here we have some way to go before there is a sufficiently broad critique of the capitalist logic that wealth must, of necessity, not just trickle but torrent up. This torrent is structurally and historically connected with the violent dispossession of First Nations' Peoples, gendered violence and hyper-exploitation of women, the continuously improving means of both systematic exploitation and exclusion of the global working class, the decimation of a public sphere which was fought for by unions and other social movements, and the wilful destruction of the planet.

It therefore comes as no surprise to find within the climate justice movement a deep understanding of the connectedness of capitalism and the climate emergency; the idea that you can't fight climate change without fighting for system change. If we want to change society, we need to change the story we tell ourselves. Social movements are meaningless unless they seek to redefine the limits of the possible. To that end I am going to propose three ways we can build the kind of movement fit for the purpose of leading concrete social change. These are by building a collective story of social change that honours and connects our struggles, choosing our battles and building our courage.

1. Telling our story

Poet Audre Lorde reminds us that 'our battles are inseparable'.¹ A movement is a river of stories that honours those stories while sharing in the creation of a new collective story, one in which we have each other's backs. The story is everything, as long as it recognises and relates the connectedness of our battles.

The union movement is porous to the passion and pain of those who struggle for liberation beyond the parameters of the industrial sphere. We have recently seen the union movement throw itself passionately into the struggles for Marriage Equality, for an end to gendered violence, for a First Nations Voice to Parliament, and for a just transition to a post-carbon future. Earlier we saw unions joining the struggle of First Nations Peoples for land rights and self-determination. We also saw unions play a leading role in the protection of the environment and heritage through the Green Bans in the 1970s.²

Our movement has a long history of solidarity with oppressed peoples across the globe, a history that includes anti-apartheid struggles, the global fight against asbestos, support for people seeking asylum, and the struggle for peace.

At our worst though, we have been insular, even turning against each other; less Wave Hill,³ more White Australia. Sections of the working class, here and across the globe, are currently looking for solutions from the authoritarian populist right, which is hell-bent on dividing workers and eroding our collective power to chart an alternative course. The centrist swansong, however, namely that workers should place their trust in the very instruments of neoliberal disempowerment, is not the beat to which we should be marching. Sociologist Marta Harnecker has written of the demobilising effect of what she calls "a neoliberalised Left which has substituted a belief in democratic capitalism for a belief in socialism; a Left which simply does not question the system".⁴

There is nothing more demobilising than an incremental erosion of collective self-belief. But now is not the time to watch and weep. Now's the time to stand and fight. This incremental erosion has been wrought (but in no way successfully completed!) by the two-pronged approach of the neoliberal trajectory, namely the atomisation of the working class and the erasure of the public sphere. In both areas enormous damage has been done. Huge losses have been sustained by working people.

The leading sectors of private capital have succeeded in using government as a means of disempowering working people, reversing the gains of the social democratic

compromise, isolating us from each other, while ramping up the cost pressures and the fear of unemployment, not just by price gouging and wage suppression, but by stripping away crucial social infrastructure, often commodifying it in the process. Witness, for example, the marketised chaos that passes itself off as an employment services system.

This period has been accompanied by a decline in the creation of space and time for political education within the organised working class, often because all energies and resources have been put into fighting the immediate industrial battles for wages and conditions, especially in the face of such devastating trends as casualisation, sham contracting, gig work and the creation of international zones of hyper-exploitation, especially in the Global South. It is significant that we are seeing a re-emergence of political education as a key long-term organisational tool. This is essential if we are to join the dots. We need to see the connections between forms of exploitation, exclusion and violence that buttress the privileges of the few at the expense of the increasingly disenfranchised many.

If only we trusted ourselves as much as we have been trained to trust the market. For the market is presented, even by those who disavow neoliberalism, as the solution to the very problems it has created. Which is why we witness centrist attempts at framing, as an alternative to neoliberalism, a so-called 'values-based capitalism'.⁵ Capitalism is predicated on the extraction of surplus value. Regulating it is one thing but entrusting ourselves to the limits it sets bespeaks a tragic diminution of our own collective potential to change the trajectory. Given the ineradicable dynamic of supremacy, in which the desires of capital are placed above the needs of society, to speak of the possibility of a 'values-based capitalism' is akin to arguing that we might achieve a 'values-based patriarchy' or a 'values-based colonisation'. Which, incidentally, is exactly what the proponents of these social crimes often attempt to do.

We cannot go back to the period of the social democratic compromise prior to the imposition of neoliberalism. It should be remembered neoliberalism was first systematically trialled on a large scale in Chile following the US-backed coup of September 11th, 1973, against the democratically-elected socialist government of Dr Salvador Allende, smashing the organised working class and inflicting the shock-treatment of austerity on working people, enabling obscene profiteering for capital.

Neither can we retreat into a form of sublime utopian capitalism where, if we all just work together, we can grow a bigger pie so that everyone supposedly gets a bigger slice (in the same proportions), hoping that if at least some of us are doing okay then most of us will be happy just aspiring to be among the blessed. We are not operating in a vacuum. If we fail to build a collective story of social change that honours and connects our struggles, we may well find ourselves saying 'goodbye neoliberalism, hello neofascism', as a young activist recently expressed it to me.

Our story must be true to the democratic dispersal of power; true to the project of creating the democratised, de-commodified space (and time) for us to be able to care for each other, for ourselves and for our planet; and true to our lives and the lives of those whose stories we must listen to and join to our own.

As Audre Lorde reminds us:

There is no such thing as a single-issue struggle because we do not live single-issue lives. Our struggles are particular, but we are not alone. We are not perfect, but we are stronger and wiser than the sum of our errors.⁶



2. Choosing our battles

We don't always get to choose our battles. Sometimes the battle, and the terrain on which it is fought, is chosen by those who attack us.

The more united we are the more we will be seen as a threat to the power and privilege concentrated in the hands of the few. We will continue to come under attack precisely because of our solidarity, which is why it is precisely our solidarity that is targeted.

Some analyses of the 2024 US election result pit the safety, well-being, and dignity of women, LGBTQI+ people, and members of the BIPOC community against so-called bread-and-butter working-class issues. This is a clear case of those who wish to divide attempting to dictate the terrain of the battle. We must be highly critical of centrist governments that, despite their promises, actually do leave people behind. We must also acknowledge that the rise of the authoritarian populist right is predicated on its ability to speak (albeit falsely) to the disempowerment felt by people who have been left behind by the neoliberal era of spectacular wealth creation.

We reject the falsehood that somehow the working class equals white, male, heteronormative, gender-conforming, people in blue-collar paid employment. This is typical of the neofascist tendency to re-mythologise the past as a means of strengthening the inequalities created during the neoliberal era.

We need to embrace an expansive vision of the working class. This vision includes people in paid or unpaid work (including the heavily gendered work of caring); people who are unemployed and underemployed; people who are well-paid and poorly paid; casual workers, contractors, gig workers, and those who work in the informal economy pretty much most of us except the chief owners of private capital.

And what do we look like? We are people of all genders, including non-binary people. We are any and all ethnicities. Some of us are asylum seekers. Some of us are members of First Nations. Some of us are currently being subjected to state terror and violence. We are all sexualities. We are all household types. Some of us are securely housed. Some of us are forced to experience homelessness. We live with disabilities. We are neurodiverse. We are of any age, because our class includes those we care for. Some of us are incarcerated, especially if we are First Nations people, because being locked up follows hot on the heels of being locked out. All of us are seriously endangered by the climate emergency.

Why is it necessary to view class through this highly inclusive prism, even when this model does not align with explicit consciousness of class? Because it opens us up to a stronger sense of solidarity between struggles. It teaches us that we cannot separate who we are in the economy from who we are as social beings. Workers are never just workers. We have lives outside of our workplaces.

It teaches us which battles we should be open to waging and which we should not, namely the battles we are bidden to wage against ourselves. When, for example, we fall for the idea that the inadequacy of the JobSeeker benefit is a welfare issue rather than a working-class issue, or that a focus on gendered violence or transphobia is a distraction from bread and butter working class politics, we're not only failing to fight for ourselves, we're actually fighting against ourselves. The champions of neoliberalism despise the working class. This is why they hate the trade union movement. Because nothing scares the b'jeezus out of them more than when the despised get organised! Being organised means knowing that battles decide everything. We are never organising in limbo. We are organising ourselves against an historical backdrop of systematic dis-organisation and atomisation of our class.

*It is salutary here to recall an oft-overlooked sentence from *The Communist Manifesto*:*



Now and then the workers are victorious, but only for a time. The real fruit of their battles lies not in the immediate result but in the ever-expanding union of the workers.⁷

3. Building our courage

There's an old joke about asking for directions and being told: 'Well, I wouldn't start from here!'

Courage, which etymologically, means 'to have heart', is always the courage to start from here. Courage means knowing what lies in our collective heart and giving each other the heart to start at the only place that matters: here.

Courage is always the courage not to return to the past but to forge a new future. Courage is never about waiting for the perfect conditions. Courage is always the courage to start in the guts of the struggle, where it hurts, where the hope is hidden. Whatever we are fighting for will already have been deemed impossible by those who wish to demoralise us. But, as these words often attributed to Nelson Mandela remind us, '(i)t always seems impossible until it is done!'

Every win is a history of defeats. And every defeat contains within it the determined seeds of victory. This is not wishful thinking; it is how we have always won the many gains we can be justly proud of. And it is why we must be ready to defend and protect these gains, while addressing the new challenges thrown up at us by rapidly changing ecological, technological, economic, social, cultural, and political conditions.

Every progressive social gain has been won by the people united under the guiding stars of struggle and hope: be it the struggle for rights and protections in the workplace; the struggle against gendered violence, ableism, racism, ageism; the struggle for First Nations' self-determination, the struggle for housing rights, LGBTQI+ rights, climate justice. These struggles are always waged from below and led by the people most affected by the specific form of injustice, based on their own critical analysis and collective self-advocacy and organised agitation, only later to be legislated from above.

We should be greatly encouraged by the historical success of social movements, not only in winning immediate gains but in incrementally changing the parameters of a given social reality. Contrary to the oft-heard claims that capitalism is responsible for a decline in poverty and inequality worldwide, based on their recent research, Dylan Sullivan and Jason Hickel argue that, rather than ameliorating extreme poverty, currently affecting up to 17% of the world's population, capitalism is "associated with a decline in wages to below subsistence, a deterioration in human stature, and an upturn in premature mortality,' arising 'primarily during periods of severe social and economic dislocation, particularly under colonialism".⁸

But here's the thing: poverty and inequality have indeed been ameliorated, and this improvement has occurred in the Twentieth Century, wrought not by the magic of the market but by workers, women, and national liberation movements. The Twentieth Century was the period in which the three historical partners in social crime, capitalism, patriarchy and colonisation, were most significantly confronted and challenged by the self-organisation of the working class through trade unions and the socialist movement, by the mobilisation of women through the women's liberation movement and subsequent waves of organised feminist activism, and by the struggle of First Nations Peoples against the violence of continuing colonisation.

Popular democratic movements are messy. The history of these twentieth century movements is replete with failures, reversals, defeats, contradictions, disunities and monumental examples of self-sabotage, internal power plays, and even corruption and injustice.

A social movement is messy because our stories are messy, and our lives are messy. But rather than seeing this as a reason to give up, we should see it as a cause for collective courage and hope. It gives us heart to know that we are never alone in our struggles and defeats.

And, as theorist Paulo Freire pointed out:

*Without a minimum of hope, we cannot
so much as start the struggle.⁹*



In the current conjuncture, mainstream political parties are deeply risk averse. But social movements are not. Liberatory social movements aspire not to speak to a mythical average person. Rather, they speak to “the immediate wound”.¹⁰ They do not gravitate to a political centre. They go wherever “the battle for love must be militantly waged and beautifully won.”¹¹ They seek not to align with the dominant trajectory but to change it!

The essence of neoliberal capitalism is individualism (not to be confused with individuality, which it arguably erases). Building the collective is not just the most effective means to an end; it is a transformative praxis that teaches us a different way of being in the world and with each other. Collectivism is both the form and the content of our struggle.

More than sixty years ago, psychiatrist and theorist, Frantz Fanon wrote:



*What counts today, the question which is looming on the horizon, is the need for a redistribution of wealth. Humanity must reply to this question, or be shaken to pieces by it.*¹²

The opposite of poverty is not wealth; it is justice. Building our movement for social justice and social change is the only answer to this question. Our struggle is not just about achieving the possible. It is about creating a new possible. We can only achieve this if we refuse to indulge in the luxury of despair. We make it possible because we know, as per theorist Judith Butler’s sage observation, “that one’s life is always in some ways in the hands of the other”¹³ and that we refuse to entrust ourselves to the hands of those who count their own lives to be of infinitely greater value than our own and the lives of those we love. We cannot place false borders around our hunger for justice.

As poet Giaconda Belli wrote, from the heart of one of these struggles:

*Solidarity is the tenderness of the people.*¹⁴



We've been played. We are hit, not just with the price we pay at the checkout or the bowser. We also pay the price of structural and historical violence against both planet and people. We, and our planet, are being consumed by what political theorist Nancy Fraser aptly calls "Cannibal Capitalism",¹⁵ a set of social relations that foster and legitimise global capital's voracious appetite; its devouring of life, of time, and of place.

The Twentieth Century movements for liberation give us much to be proud of and also much to critically ponder. In building the capacity of our movement in the Twenty-First Century we would do well to listen to the truth spoken by Gangulu artist, activist and theorist, Auntie Lilla Watson, and a group of First Nations activists in the 1970s:



If you have come to help me you are wasting your time but if you have come because your liberation is bound up with mine then let us work together.

¹ Lorde (1984) 'Learning from the 60s,' *Sister Outsider: Essays and Speeches*, The Crossing Press at 138.

² For Green Bans see Burgmann and Burgmann (1998) *Green Bans, Red Union: Environmental Activism and the New South Wales Builders Labourers' Federation*, UNSW Press.

³ For Wave Hill see Hokari (2000) 'From Wattie Creek to Wattie Creek: An oral historical approach to the Gurindji walk-off', *Aboriginal History*, 24, 98-116.

⁴ Harnecker (2007) *Rebuilding the Left*, Zed Books, at 19.

⁵ Chalmers (2023) 'Capitalism after the crises', *The Monthly*, 1 February.

⁶ Lorde (1984) *Learning from the 60s*, <https://www.blackpast.org/african-american-history/1982-audre-lorde-learning-60s/>

⁷ Marx and Engels (1848) 'Manifesto of the Communist Party' cited in *Marx/Engels Selected Works, Vol. One*, (1969) Progress Publishers, <https://www.marxists.org/archive/marx/works/1848/communist-manifesto/index.htm>

⁸ Sullivan et al (2023) 'Capitalism and extreme poverty: A global analysis of real wages, human height, and mortality since the long 16th century', *World Development*, Vol. 161, January.

⁹ Freire (2021) *Pedagogy of Hope*, Bloomsbury Publishing.

¹⁰ Berger (2005) *And Our Faces, My Heart, Brief as Photos*, Bloomsbury at 95.

¹¹ Roy (2021) 'Our battle for love must be militantly waged – and beautifully won', *Elgar Parishad 2021 Speech*, 30 January, <https://scroll.in/article/985529/arundhati-roy-our-battle-for-love-must-be-militantly-waged-and-beautifully-won>

¹² Fanon (1967) *The Wretched of the Earth*, Penguin, at 78.

¹³ Butler (2016) *Frames of War: When Is Life Grievable?*, Verso, at 14.

¹⁴ Belli (1985) in Fry and Cassel (eds) (1985) *Poetry of the Nicaraguan Revolution*, Pathfinder, at 102.

¹⁵ Fraser (2023) *Cannibal Capitalism: How our System is Devouring Democracy, Care, and the Planet – and What We Can Do About It*, Verso.

10

The Big Ideas brought together: Reflections on the 2024 Living Standards symposium

*-Associate Professor Tom Barnes
and Dr Fiona Macdonald*

Even though several years have passed since a cost-of-living crisis emerged following the COVID-19 pandemic, huge pressures on living standards remain a major social problem. The urgent need to understand what these pressures mean for workers, families and households is the main reason why trade union, environment, social welfare, and other activists joined with researchers, policy makers and workers from across Australia in Melbourne in October 2024 for the Carmichael Centre's Living Standards symposium. Speakers and participants at the symposium posed a range of important questions and collaborated to consider potential solutions to this social problem.

In this contribution, we reflect on the day, on the contributions made and on ideas that emerged from the symposium. Writing some months after the event, interest rates have fallen, easing pressures on some households. However, the living standards crisis is by no means over. The October discussions are as relevant now as they were in 2024. Important lessons from the event are relevant to the challenges we will continue to face in advocating for good policy for greater social and economic equality.



Over the day, a series of speakers presented ideas and data on some of the most pressing issues and priorities for action. These sessions were interspersed with workshops in which smaller groups engaged in dialogue on critical issues and actions. It was inspiring to see people with different viewpoints and priorities work together to find common ground for understanding and addressing the living standards crisis. Indeed, one of the important lessons from the symposium was to remind us of the value of coming together and taking time to listen and engage with others' ideas. Lessons from the symposium include how we understand and talk about living standards problems, why we need to focus on their multi-dimensional nature, and the importance of being able to find and communicate solutions that are relevant to those most affected.

This contribution begins with a brief discussion about the nature of the crisis before exploring some of the most common and popular ideas advocated and discussed during the symposium. Ideas include adopting an expansive concept of full employment, rebuilding collective bargaining, and fixing the welfare system so it assists people on low incomes rather than punishing them. Another idea was revamping the social wage, including investing in and reshaping publicly-funded social services, healthcare and education systems to ensure universal and free access for all. We believe these ideas deserve serious consideration by activists, progressive organisations and workers. In the final section of this contribution, we consider some of the lessons from the symposium about building power in the community to effect change.

What is the real nature of the 'cost of living crisis'?

The surging cost of living has been a major concern for many people in recent years. In 2025, the problem remains at the forefront of most people's minds. But the nature of this problem is not as it has been typically presented in the mainstream media. News reports continue to reiterate the obvious: that the rising cost of living is making life difficult. But reports about high inflation, surging prices at the supermarket counter and petrol pump, and high (albeit falling) interest rates tend to shift our attention away from the interconnected nature of these problems and, thereby, lead us to significantly underestimate the severity of the crisis.

In his report to the symposium, Greg Jericho argued that a 'cost-of-living crisis' was not the most helpful or accurate way to label the present situation; that it was more accurate to describe this moment as capturing a historic decline in living standards, one driven especially by a collapse in real wages. The current crisis of real wages followed nine years of wage stagnation under Liberal-National Coalition Governments and rampant inflation post-pandemic that peaked under the Albanese Labor Government. As the full economic impacts of the COVID-19 lockdowns were still subsiding, real wages collapsed dramatically. Jericho's analysis showed that it could take until the end of 2038 for real wages to recover to their March 2021 level. Based on current trends, it could take decades for living standards to return to pre-pandemic levels, he emphasised. This means that life is likely to continue to get harder for future, as well as current generations, without a radical shift in policy priorities.

Contributing to the drop in living standards, there has been rampant inflation in household essentials, mortgage interest rates and rent. Jericho's analysis showed that prices for essentials such as groceries and utilities rose by 20% from March 2021 to June 2024, while wages increased by just 11% over the same period. Meanwhile, mortgage interest charges increased by an incredible 135%.

The lived experience of hardship was brought sharply to the attention of symposium participants through the screening of a Centre for Future Work video featuring people experiencing hardship. The video, and Lisa Heap's presentation of findings from the *Doing It Tough* survey report,¹ emphasised the day-to-day impacts on individual and household well-being. For many young people in particular, the crisis also manifests in uncertainty and despondency about security and opportunities for the future.

The description of the current era as a crisis in living standards was reiterated time and again by participants at the symposium. In terms of how we understand the current era, this description can be seen a conceptual anchor that ties together most other key issues. The crisis has several dimensions.

First, the living standards crisis represents a core part of a polycrisis, where several crises overlap in a way that magnifies their impact on society, making each one more difficult to resolve individually. It overlaps, for instance, with a crisis of rising economic inequality evident in the absence of affordable housing in major cities; a crisis of poverty arising from paltry income support payments; an ecological crisis epitomised by out-of-control climate change; and, not least, a political crisis represented by the rise of far right populist politicians in many countries.



Second, the living standards crisis is intergenerational because the impacts of falling living standards in the present day become worse as they are passed on to the next generations. For example, young people are increasingly unlikely to buy a home unless they have financial assistance from their parents; a problem that will worsen economic inequality between the asset rich and the asset-less poor as time passes. At the symposium Alison Preston highlighted the gender aspects of economic inequality for young people, with young women carrying larger HECs debts. Preston argued this is likely to perpetuate and deepen gendered household poverty in old age.

Third, the living standards crisis is spatial because some places are affected more severely than others. For example, impacts from falling living standards tend to concentrate in the suburbs of metropolitan cities or in regional centres that are already relatively disadvantaged compared to richer areas.

Finally, the crisis of living standards is also a crisis of *growing social class inequality*. Falling living standards are reflected in the gradual transfer of income, wealth and privilege from lower status households and individuals towards those who are already relatively well-off. As the rich become richer and the poor become poorer, life for those in the middle is becoming increasingly stratified and frayed as workers are gradually pulled towards one pole or the other by forces seemingly beyond our control. Even those middle-income earners who have been able to purchase a home have found it increasingly tough to maintain living standards in the face of surging costs in mortgages, childcare, healthcare, education and groceries. The idea of saving extra money for the future or to help children get ahead as they grow up has been quashed for many in this category.



Why have living standards fallen?

Of course, this is the question we all want answered! It is critically important to address this question if we want to work out what can be done to address the various problems we face. Over many years, blame has been cast on trade unions for driving up wages or on immigrants for putting strain on jobs and public services—but these claims don't stack up to reality. At the Living Standards symposium, participants emphasised the role of corporate profiteering in stoking inflation over the past three years. They pointed to unscrupulous practices by large companies as primarily to blame for the crisis, not workers or immigrants.

The Centre for Future Work has led research demonstrating that inflation has been driven by profits rather than wages.² Both foreign and Australian-owned corporations have driven this problem in grocery retailing, insurance premiums, mortgage lending and retail energy provision. The problem is worsened by the anti-competitive structure of key markets. For example, the monopolistic nature of Australia's supermarket chains means that the dominant retailers have been able to expand their profits by passing higher prices onto suppliers such as farmers and manufacturers as well as consumers at the checkout.

Research findings correspond with popular opinion. The Centre for Future Work's *Doing It Tough* survey found that rising retail grocery prices were by far the most noticeable aspect of the crisis for survey respondents, followed by changes to prices for utilities and transport.³ In terms of who is responsible for the crisis, the supermarkets were singled out again—82% said the major supermarket retailers deserved some or a great deal of blame to an extent, including over half (52%) who said that supermarkets deserved a great deal of blame. The survey findings were similar for energy companies (with 81% say of participants saying they deserve some or a great deal of blame). A majority of respondents also identified banks (73%) and government (71%) as deserving some or a great deal of blame.

The symposium identified key aspects of the crisis that further explain why living standards have fallen so dramatically. A major focus was on jobs, incomes and wages. The collapse in the real value of welfare transfers was identified as driving falling living standards among low-income earners. The problem of underemployment, in which workers are forced to accept fewer hours of work than they want, as well as the proliferation of jobs without basic employment security such as casual jobs and 'gig' work. A related problem was the serious decline in collective bargaining coverage that exposed more and more workers to take it or leave it pay and conditions. The intersection of jobs, job quality and household income led to considerable discussion at the symposium about the relevance of full employment as a policy response.

Discussion of energy costs and energy transitions connected concerns about climate change with the role of the fossil fuel industry in soaring household energy costs, while the problems of housing security and housing affordability were raised throughout the day. Finally, the symposium included a discussion on the possibility of forging practical

solutions by building political power in the community. Part of this discussion concerned confronting the challenge of connecting big ideas with the everyday experiences and perceptions of workers. The discussion raised many more tough questions but, importantly, also raises significant hope for building power around questions where common ground was achieved.

Big ideas for the present crisis

The Living Standards symposium posed numerous options to transform policy and society in response to the crisis of living standards. Inevitably, some ideas were more popular than others. The popularity of some suggested that a widespread consensus already existed as a means of build powerful alliances, while other ideas were more controversial or in need of further clarification. Without attempting to document every suggestion, this section analyses several of the more widely discussed ideas and policy proposals.

1. Framing the current period as a crisis of falling living standards

From the outset of the symposium the ‘problem’ to be addressed was framed as a crisis of historically falling living standards rather than the way it has been depicted in much of the mainstream media as a series of separate cost-of-living problems. It is important for advocates of this broader characterisation of the problem to play an educative role and frame their activities in ways that connect with the community, linking issues of jobs, wages, housing, energy and so on. These advocates must also listen to and amplify the voices of workers and others who are experiencing reduced living standards.

This explanatory, educational role is also important as a means of shifting attention from the fake alternatives presented by right-wing political commentators who continue to spread false arguments that blame some of the worst-affected or most vulnerable groups for the problems generated by the actions (or inaction) of corporations and governments.



2. Pursuing full employment as a core economic goal

Second, full employment was discussed and debated at the symposium as a major focus for policy reform. Full employment is the idea that Australia has achieved a goal in which almost everyone who wants or needs paid employment can access it; in other words, involuntary unemployment is virtually extinguished.

However, various technical definitions of full employment are adopted by governments and economists and, problematically, the concept can be hijacked for perverse causes. The Reserve Bank of Australia (RBA) bases its decisions on a definition of full employment that assumes there is a hypothetical level of unemployment below which inflation starts to increase. This definition takes no account of the problem of involuntary unemployment; nor does it take account of the quality of jobs or the adequacy of wages.

Progressive advocates have tended to pose a more comprehensive understanding of full employment. As Thomas Greenwell pointed out in his presentation to the symposium, the Albanese Government's September 2023 White Paper on Full Employment provided a good start in taking "an expansive view of full employment with a vision of a labour market that is 'dynamic and inclusive ... in which everyone has the opportunity for secure, fairly paid work'".⁴

Greenwell argued for the establishment of a national Full Employment Commission that, as well as setting unemployment rate targets, could advocate for changes to improve jobs and pay, such as the abolition of junior wages in the retail, fast food and pharmacy sectors, and protections for workers against unfair consequences from the deployment of artificial intelligence (AI). Other speakers at the symposium argued that the pursuit of full employment could help Australia address the problem of working poverty. Some participants stressed the importance of the quality of employment, such as the achievement of employment security and protections against casualisation, arguing that the poor quality of jobs is currently a bigger issue than the quantity of jobs overall.

A genuine commitment to full employment means challenging the logic behind decision-making by the RBA. The RBA kept interest rates high for too long, thereby unfairly punishing workers and low-to-middle income households while letting the real culprits—profit-hungry corporations—off the hook. This includes the problem of economic policymakers' guiding ideology, a problem raised by several symposium participants. Policymakers at key institutions such as the RBA, Treasury and the Productivity Commission remain guided by an economic ideology in which 'free markets' provide the solution to virtually every social problem. Yet this idea bears little resemblance to the reality of large, anti-competitive corporations which fix prices for suppliers and consumers alongside high levels of government regulation over private markets.

3. Rebuilding collective bargaining in Australia

Both critics and supporters of full employment targets agreed that the pursuit of full employment was insufficient to manage the crisis of falling living standards alone. Several speakers emphasised the need to rebuild Australia's institutions of collective bargaining. There is a strong positive association between collective bargaining and higher wages;⁵ in other words, the more workers are covered by collective agreements, the easier it is for workers to campaign for higher wages and better working conditions.

The Labor Government has made a positive start with its amendments to the *Fair Work Act 2009* (the *Secure Jobs Better Pay Act 2022*). Further positive change has come from union efforts to campaign for higher wages at the Fair Work Commission, including recent decisions to increase wages for aged care workers as well as recent National Minimum Wage decisions. Speakers noted that the amended law has made it easier to achieve collective bargaining agreements, although the rise in agreements is partly explained by employer's settling for new individual enterprise agreements as a way to forestall multi-employer agreements.

However, symposium participants also emphasised that much more was needed to address the weaknesses of Australia's industrial relations system for workers. Alison Preston told the symposium that industry-scale bargaining was needed for sectors with predominantly female workforces, such as nursing and early childhood education, where wages are too low and workers' bargaining power is highly uneven at best.

In addition, more can be done to address long-standing problems of insecure work including strengthening 'employee-like' workers' regulation, a recent reform which has improved platform workers' position but still denies full employment rights to thousands of workers. In addition, several participants raised Australia's highly restrictive laws on industrial action and unions' right of entry into workplaces which further limit the ability of unions to bargain effectively for members.

4. Ending the use of the welfare system to keep people in poverty?

Long-term stagnation in the level of income support for unemployed workers, low-income earners, retirees, carers and people with a disability has been a co-driver of declining living standards and rising inequality. Unfortunately, the Labor Government has been poor in addressing this situation. Both major parties have stubbornly ignored long-term calls from a wide range of civic organisations to increase welfare benefits significantly for those in need.

As well as pointing to the extraordinarily low level of key payments such as JobSeeker and the Age Pension, Peter Davidson reminded the symposium that the Labor Government had established an Economic Inclusion Advisory Committee (EIAC) in 2022 to advise the Government about measures to improve economic inclusion, including the rate of JobSeeker and related payments. In their 2024 report, the EIAC argued that these payments should be set at least 90% of the Age Pension rate.

The EIAC argued that:

[The] current employment services system is not fit for purpose and is causing harm ... [There] is an urgent need to remove automated payments suspensions; its culture is negative, unsympathetic and punitive; participants are regularly left dispirited and broken by its excessive, often pointless and frequently counterproductive compliance measures; it provides poor service that other Australians would not be asked to accept; and it is highly inefficient, producing an unacceptably low employment success rate. This is the right time to replace it with an employment service that promotes economic inclusion instead of one that worsens economic exclusion.⁶

At the Symposium, Davidson reiterated that, under the current automated system, half of all people within the system were threatened with payments suspensions every three months—a practice he characterised as “Robodebt on steroids”. The argument to dismantle and replace the existing employment services system was framed by Davidson and others as a complement to the pursuit of full employment. Despite Labor’s recent conceptual embrace of full employment, however, it has continued to avoid adequate action in the welfare sphere. Although the EIAC was asked to consider the adequacy of benefits for every Federal Budget, the government took no action in response to EIAC advice in 2024.

5. Addressing Australia’s housing crisis

Participants at the symposium agreed that few problems matched the scale of the housing crisis, whether in regard to social exclusion due to the demise of housing affordability, the intergenerational exclusion of young people from home ownership, or the contribution of surging housing costs to falling living standards.

Potential solutions to this problem have been the subject of intense political debate in recent times. Doug Cameron and Maiy Azize both argued that housing was a fundamental human right. Cameron argued for an extension of existing efforts to address housing availability and affordability alongside an expansion in public housing. Labor’s National Housing Accord has committed the Federal Government to building 1.2 million new homes from 2024 to 2029. The deep-set nature of this crisis means that much more needs to be done. The symposium touched upon several of these issues—for example, the coming crisis of owner-occupiers retiring while still having residual mortgages to repay as well as the growing cohort of young people who have given up on prospects of home ownership.

6. Does Australia need a revamped 'social wage'?

The importance of universal public goods and services as part of the social wage was proposed as a broadly encompassing policy idea by Charlie Joyce. The social wage refers to the idea that households survive materially through the combination of financial and in-kind provisions, including social, education and health services. Joyce presented participants with a persuasive case for resurrecting a revised version of the social wage. He argued that essential services including education and care should be universal in scope, free at the point of use, and delivered through publicly owned entities. Key financial elements of this social wage included a significant increase in key income support payments such as JobSeeker—a proposal universally popular with participants (see above). Key in-kind provisions included the expansion of public-school funding and school infrastructure, the expansion of investment in public housing, and the defence and extension of bulk billing through the Medicare system, including the inclusion of comprehensive dental care in Medicare.

7. Addressing the polycrisis of climate change and rising energy costs

A strong theme throughout the symposium was the importance of framing and presenting ideas correctly in public policy debates. This theme was at the heart of discussions about energy costs and Australia's transition away from fossil fuels to renewable energy sources. In his presentation to the symposium, Tim Buckley spoke of the undue influence of fossil fuel advocates over narratives for renewable energy transitions, who portray the transition as inflationary and too costly. Buckley argued that the costs and investments of clean energy need to be considered against outcomes for social inclusion, not just outcomes for markets. The contribution of high energy costs to falling living standards is driven largely by the costs of fossil fuels. For instance, price inflation from coal is a major contributor to general price inflation. At the same time, profit margins in the fossil fuel sector are obscenely high.

Buckley made the point that “all solutions are choices”, drawing on the example of action taken by the former Labor State Government in Queensland, which established a progressive royalty arrangement in the context of windfall gains to the fossil fuel industry due to the war in Ukraine. The government invested in energy transformation infrastructure and returned \$1000 to all households as a rebate on energy bills.

In her presentation, Lynne Chester argued forcefully for wholesale change in the energy regulatory regime to stop price-gouging. She argued that current regulatory arrangements for wholesale, network and retail energy erroneously assume the existence of competitive markets. In reality these markets enable some providers to accumulate super-profits very quickly.

In debating solutions for reform, some workshop participants questioned the role of markets in the provision of energy as an essential household service. While there was significant debate on this topic, there was general agreement on other points raised, including the need for short-term actions to reduce the impacts of rising energy costs on low-income and other vulnerable households and long-term changes that included everybody. Such action is needed not only to reduce pressures on living standards but also to maintain public support for energy transitions.

Building social power from the bottom up

Several other ideas and initiatives were proposed at the symposium. These include proposals for tax reform such as land tax and taxes on mineral resources, and efforts to stem the flow of rising asset-based inequality by removing tax concessions on self-managed superannuation funds which overwhelmingly benefit the already wealthy. Some participants argued for a radical rethink of tax policy given that Australia's effective shift towards a flat income tax system curtails urgent fiscal policy initiatives, such as the expansion of publicly funded healthcare, education and welfare transfers, and widens economic inequality over time.

Of course, the profiteering of large companies was discussed frequently, especially given the role of corporations in retail groceries, insurance, banking, early childhood education and utilities in driving inflation and squeezing workers' living standards. As evidenced from the *Doing It Tough* Survey, most working people in Australia recognised the role of these bodies in worsening Australia's crisis of living standards. Evidently, action to curb the profiteering of these companies would be popular.

But what to do, in practical terms, to pressure policymakers into action is a different question, one which was not discussed explicitly in every session at the symposium. Nevertheless, the symposium demonstrated the practical value of bringing policy actors together to listen to others' concerns and ideas. In workshops, participants with different perspectives on problems and solutions worked together, sometimes coming to new positions about policy priorities, methods of communication and persuasion, and processes of engagement.



A final key question considered at the symposium concerned how we build power in the community to effect real change in the context of the current polycrisis. The need to connect big ideas with the everyday concerns of working people is a major challenge for us all. Symposium participants pointed to a range of lessons which we can take forward in 2025 and beyond. Three of these are outlined in our closing discussion below.

Make radical choices

The first lesson is to remember that governments have the capacity to make radical choices, as demonstrated by the fiscal policies rolled out during the onset of the COVID-19 pandemic and mostly withdrawn in 2021. During the early days of the pandemic, the Federal Government effectively doubled unemployment benefits and implemented a mass wage subsidy scheme (JobKeeper), among other measures designed to prevent mass immiseration. The positive impact of higher benefit payments on incomes, social inclusion, mental and physical health and labour market participation have been well documented. Of course, the Federal Government of the day—a Coalition Government—took these measures under emergency conditions.

As one speaker told symposium participants, government decision-making had an “emergency vibe” during the early days of COVID-19; a sense that policymakers had no choice but to act radically and with urgency. The question this poses to us is: how can we regenerate a feeling of emergency among policymakers and governments? How do we generate social movements from the ground up which make the government feel that it has no other choice but to act? This is an idea which has been raised in other contexts—for example, by climate action campaigners—but is one which has a more general remit in the context of falling living standards.

Connect big ideas to lived experience

A second lesson is the importance of connecting big ideas with the lived experience of working people. This is why it is so important to understand the current period as a crisis of falling living standards. As numerous speakers told the symposium, working people feel like the last three years (and perhaps more) have taken them backwards financially and, often also, backwards in terms of physical and mental health, family cohesion and relationships with friends and loved ones. In attempting to address the various social, economic and environmental challenges we face, we must pay careful attention to this lived reality if our solutions are to build deep social support and impact. In a similar vein, both John Falzon and Liam O’Brien emphasised the importance of solidarity to build progressive campaigns, both in terms of solidarity with the marginalised, exploited and oppressed and in terms of solidarity with each other as we campaign for a better world.

Know your enemy

A third lesson is, to know your enemy! From the outset, symposium participants were made aware of the problems of misinformation and propaganda in this age of unregulated social media Trumpism and various other forms of right-wing populism. In their addresses Jim Stanford and Lisa Heap emphasised that attempts to blame workers, women, immigrants or minorities have become louder. Knowing who to blame for the crisis and why will be key to the efficacy of social movements and campaigns as we move forward.

Not all of the ways forward proposed at the symposium reflect all three of these lessons—or perhaps not yet. For example, the question of profiteering by major companies such as the supermarkets clearly connects with workers’ lived experience of price-gouging at the supermarket checkout. Most people instinctively know who to blame! But how to translate these positives into effective social action is not yet clear. Other big ideas, such as the pursuit of full employment or the resurrection of a revamped social wage make sense to many activists, researchers and analysts but may not connect automatically with the lived experience of people who are experiencing declining living standards.

On the other hand, the case of welfare transfers, and the experience of campaigners attempting to raise the rate for JobSeeker and other payments, connects with the lived reality of many low-income earners but has not yet succeeded in creating an emergency vibe akin the experience of the lockdown period. Of course, our campaigning faces the familiar challenge of how to build power so that policymakers and governments notice us and act with the urgency that these issues deserve. In short, the Living Standards symposium offered much food for thought for activists but, equally, significant cause for optimism that we can work collectively and build a movement that can pose real solutions and build real solidarity with those affected directly and materially by the current crisis.



¹ Carmichael Centre (2024) *Living the Crisis: How Australians are Experiencing the Cost of Living Crisis*, https://www.carmichaelcentre.org.au/living_standards; Heap (2024) *Doing it Tough: How Australians are experiencing the cost of living crisis*, <https://futurework.org.au/report/doing-it-tough/>; see also Heap (2025) this publication.

² Jericho (2025) *The Continuing Irrelevance of Minimum Wages to Inflation*, <https://futurework.org.au/research/>

³ Heap (2024) *Doing it Tough*.

⁴ Greenwell (2025) this publication; Australian Government (2023) *Working Future: The Australian Government's White Paper on Jobs and Opportunities*, <https://treasury.gov.au/employment-whitepaper/final-report>

⁵ Stanford, Macdonald and Raynes (2022) *Collective Bargaining and Wage Growth in Australia*, <https://futurework.org.au/research/>

⁶ EIAC (2024) *2024 Report to Government, Department of Social Services* https://www.dss.gov.au/system/files/resources/13404-eiac-report-dv-08-app-orig_0.pdf

Presenters at the 2024 Living Standards symposium

The editors would like to acknowledge and thank those speakers who shared their ideas as presenters at the symposium

Maiy Azize
Associate Professor Tom Barnes
Tim Buckley
The Honourable Doug Cameron
Professor Lynne Chester
Dr Peter Davidson
Dr John Falzon
Thomas Greenwell
Dr Lisa Heap

Dr Greg Jericho
Charlie Joyce
Stephen Long
Dr Fiona Macdonald
Liam O'Brien
Professor Emeritus David Peetz
Professor Alison Preston
Dr Jim Stanford

The 2024 Living Standards symposium was held in Naarm on the unceded lands of the people of the Woi wurrung and Boon wurrung language groups of the eastern Kulin Nation. We acknowledge and pay our respect to Elders past and present.



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