



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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**SELECT COMMITTEE ON COST OF LIVING PRESSURES IN THE ACT**  
Mr Johnathan Davis MLA (Chair), Dr Marisa Paterson MLA (Deputy Chair)  
Ms Nicole Lawder MLA

## Submission Cover Sheet

Inquiry into Cost of Living Pressures in the ACT

**Submission Number: 027**

**Date Authorised for Publication: 21 March 2023**



# Cost of Living Pressures in the ACT

20 MARCH 2023

Select Committee on Cost of Living Pressures in the ACT  
ACT Legislative Assembly,  
GPO Box 1020  
Canberra ACT 2601

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Dear Committee Secretary

## Cost of Living Pressures in the ACT

The Community and Public Sector Union PSU Group (CPSU) is an active and progressive union committed to promoting a modern, efficient, and responsive public sector delivering quality services and quality jobs. As the largest union in the ACT Public Service (ACTPS), the CPSU welcomes the opportunity to make a submission to this select committee inquiry into cost of living pressures in the ACT.

Canberrans have not been immune to growing cost of living pressures, the consumer price index (CPI) for Canberra rising by 7.1% between December 2021 and December 2022.<sup>1</sup> Canberra is also the most expensive capital city on average for renters, rents up by 4.3% over the past year.<sup>2</sup> These cost increases have outstripped wage growth, leading to declining real wages.

Governments can and should play a greater role in addressing these growing cost of living pressures. The ACTPS is one of the largest employers in Canberra and its decisions about public sector wages have an impact across the ACT. Like other workers, ACTPS employees have been experiencing real wage cuts because of high inflation. While CPI over the year to December 2022 was 7.1%,<sup>3</sup> ACTPS employees only received two salary increases of 1.35% at six-month intervals in December 2021 and June 2022.

Projected higher inflation into the forward estimates means that pay offers need to keep up with the increased cost of living. Unfortunately, the ACT Government has chosen not to act to relieve pressures for all its employees. Despite these cost of living pressures on ACTPS employees, the ACT Government has gone ahead with a ballot of enterprise agreements without guaranteeing no ACTPS employee will experience further real wage cuts over the life

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<sup>1</sup> Consumer Price Index, Australia, December Quarter 2022 | Australian Bureau of Statistics. 25 Jan. 2023, <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>.

<sup>2</sup> "Most Affordable & Expensive Capital Cities For Rent In Australia." Canstar, 15 Feb. 2023, <https://www.canstar.com.au/home-loans/most-affordable-and-expensive-capital-cities-for-rent-in-australia/>

<sup>3</sup> Consumer Price Index, Australia, December Quarter 2022 | Australian Bureau of Statistics. 25 Jan. 2023, <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>.

of the agreement. We note the Reserve Bank of Australia projects that year ending CPI would not return to 3% until at least June 2025, highlighting that the ACT Government's current offer will likely still mean a real wage cut for some ACTPS employees.<sup>4</sup> The ACT Government needs to come back to the table and ensure a pay rise that guarantees none of its employees continue to experience real wage cuts.

There has been some recognition of the cost of living pressures for low paid ACTPS workers as the ACT Government has declared its 'Fair Go for GSO' classification review and base pay level increases will result in an approximately 34% pay increase for the lowest paid General Service Officers (GSOs) over the next three years.<sup>5</sup> While the CPSU welcomes this review and the base pay level increases, predominantly female low paid support services workers, mainly employed in the health and education sectors, e.g. health service officers and school assistants, have thus far only been offered a pay increase that is approximately half of that quantum. These workers are at equivalent work level standards and classifications as GSOs. With a comparatively much higher proportion of women in these support service roles, the currently disparate pay offer risks increasing the gender pay gap if all employees working at the same level do not get that increase.<sup>6</sup> The ACT Government should extend that classification review and base pay upgrade to benefit all low paid ACTPS workers.

For further information, please contact me, via email [brenton.higgins@cpsu.org.au](mailto:brenton.higgins@cpsu.org.au) or on [REDACTED]

Yours sincerely

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Brenton Higgins

A/g ACT Regional Secretary

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<sup>4</sup> Reserve Bank of Australia. "Economic Outlook | Statement on Monetary Policy – February 2023." Reserve Bank of Australia, 10 Feb. 2023, <https://www.rba.gov.au/publications/smp/2023/feb/economic-outlook.html>

<sup>5</sup> Macdonald, Anna. "CPSU Says ACT Wage Rises Should Go Further." The Mandarin, 29 Jan. 2023, <https://www.themandarin.com.au/210534-act-wage-rises-should-go-further-says-cpsu/>.

<sup>6</sup> "ACT Govt Accused of Pursuing 'Sexist Wages Policy.'" The Canberra Times, 27 Feb. 2023, <https://www.canberratimes.com.au/story/8101742/act-govt-accused-of-pursuing-sexist-wages-policy/>.