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Falling Behind: The Crisis in Tasmanian Public Sector Wages

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Acknowledgement of Country

This report was written on the lands of the Wurundjeri People of the Kulin Nation. The McKell Institute acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners of Country throughout Australia and their continuing connection to both their land and seas.

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Executive Summary

The cost-of-living crisis continues to put considerable and sustained pressure on Tasmanian households. Housing, energy, transport and food costs have ballooned over the past three years. Wage growth, on the other hand, remains subdued. Workers across Tasmania's public and private sectors have seen static, and often declining, real wages. This paper focuses on the wage trends and dynamics of Tasmania's 34,000 strong state public sector workforce.

It first briefly introduces Tasmania's macroeconomic context, and the pressures being faced by households on the grounds. It then introduces Tasmania's public sector and operations of its *Industrial Relations Act 1984* (Tas) before canvassing the conditions under the current wage-setting instruments.

The paper then substantively compares Tasmanian public sector wage levels and growth to those on the mainland. It finds that Tasmanian public sector workers now earn, on average, almost \$5,700 less than their mainland counterparts. This gap has grown by 37 per cent nationally since 2013 and has grown by over 120 per cent in New South Wales, Victoria and Queensland. What is more, it shows no sign of catching up any time soon, with Tasmanian public sector wage growth sitting at the second lowest among the states in in June 2023.

Using wage price index and consumer price index data, the paper then traces just how far Tasmanian public sector workers have fallen behind. It finds that Tasmanian public sector workers are *now worse off than they were over 13 years ago*. While public sector workers have suffered similar decreases nationally, Tasmania's is unique in that *real wages began to fall in September 2017*, meaning that the decrease is significantly more attributable to the state government's wage-setting policies, rather than just inflation.

The paper then maps the broader consequences of the Tasmanian government's wage austerity, finding the fastest public sector vacancy growth in the country, depressed starting salaries for graduates and crumbling public services due brought about by chronic vacancies.

Finally, the paper considers the role of public sector wage setting for both private sector wage growth. It finds, particularly given Tasmania's small size, that meaningful public sector pay rises would likely positively spill over into the broader labour market.



Introduction

Tasmanians are doing it tough. The 'secular stagnation' of the 2010s, followed by the COVID-19 pandemic and the ongoing cost-of-living crisis mean that many Tasmanian workers have seen minimal increases—and often decreases—to their standard of living over the past 15 years.

While once considered the epitome of job security and stability, Tasmanian public sector employees have not been insulated from these pressures. If anything, as the following analysis will show, they have had to bear the additional brunt of artificial wage austerity imposed by successive Tasmanian governments. This paper explores the ongoing pressures faced by Tasmanians, with a key focus on its state public sector workers.

It will first briefly introduce and outline the economic pressures faced by all Tasmanian households in recent years. It will then outline the basic structure, size and wage-setting dynamics of the Tasmanian public sector. Tasmanian public sector wages will then be compared both in absolute and relative terms to mainland public sector wage dynamics. After which, using time-series wage and price data, the relative (and severe) deterioration in Tasmanian public sector wages will be analysed.

This decline will then be contextualised in light of difficulties in recruitment and retention in the Tasmanian public sector, and the concomitant pressure such difficulties place on public services. Finally, leveraging academic research, this paper will explore the role of public sector wage setting in driving broader wage and economic growth.

Tasmanians are feeling the pinch

The economic tumult of the past five years has been felt nationwide, and Tasmania is no exception. In fact, by some metrics, Tasmanians have suffered more than their mainland counterparts. Indeed, inflation peaked noticeably higher in Tasmania compared to the rest of the country at 8.6 per cent compared to 7.8 per cent nationally.¹

But this higher headline inflation must be interpreted in context. Much of Tasmania's inflation has been driven by non-discretionary spending such as housing, utilities, transport and food, all of which experienced higher-for-longer bouts of inflation compared to discretionary items.



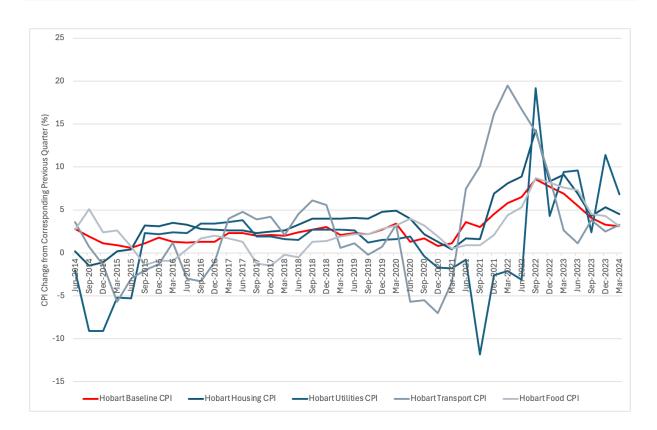


Figure 1: Hobart Baseline and Non-Discretionary CPI Growth, June 2014 to June 2024,

Selected Categories²

This means that households on the lower end of the income spectrum are seeing an increasing proportion of their income go to necessities rather than discretionary spending, effectively shrinking their disposable income at a much faster rate than the headline inflation rate would suggest. Given Tasmania's disproportionate concentration of low-income households, this inflation dynamic is particularly impactful and problematic.

On the other side of the equation, Tasmanians are suffering from the lowest full-time weekly earnings of any Commonwealth jurisdiction — sitting almost \$280 below the national average.³

Even then, many Tasmanians are unable to work nearly enough as they would otherwise wish to. Despite experiencing an unemployment rate below the national average, Tasmania has the *highest* underemployment rate in the Commonwealth at 7.5 per cent, meaning that many Tasmanians trying to make ends meet simply cannot obtain the extra work to do so.⁴

This raw economic data is corroborated by public sentiment on the ground. In fact, a June 2024 survey found that:



- Over 60 per cent of Tasmanians say they are worse off than last year;
- 71 per cent of Tasmanians are either 'extremely concerned' or 'moderately concerned' about the rising cost of living;
- Almost 50 per cent have cut back on essential spending to make ends meet; and
- Over 40 per cent of part-time/casual staff are looking for more hours.⁵

The Tasmanian public sector is falling behind

These economic pressures are, naturally, being felt by all Tasmanian workers; public and private sector alike. And while the public sector was once a destination of choice for those seeking secure, stable, and well-remunerated careers, the following analysis suggests that this is increasingly not the case in Tasmania.

But before examining these wage dynamics, it is necessary to understand Tasmania's public sector within its broader industrial relations context.

In June 2023 there were approximately 34,000 members of the Tasmanian public sector employed under the *State Service Act 2000* (Tas).⁶ Consistent with its small population, Tasmania has the second-most state public sector workers per capita of any state or territory, being eclipsed only by the Northern Territory.

As with all state public sectors except Victoria's, the Tasmanian public sector sits outside of the Commonwealth industrial relations system and is not covered by the *Fair Work Act 2009* (Cth). Instead, the Tasmanian public sector is governed by the state industrial relations system under the *Industrial Relations Act 1984* (Tas). This provides for the making of 'industrial agreements' which are the primary wage and condition-setting instrument for TSS employees.⁷

Tasmanian public sector employees are currently covered by a variety of industrial agreements. Most, however, are covered by the *Public Sector Union Wages Agreement 2022* (**the** *Agreement*) which commenced on 1 July 2022 remains in force until 30 June 2025. Since its commencement, the *Agreement* has provided two rounds of remuneration increases, with one more expected in December this year.

In December 2022 the *Agreement* provided all Tasmanian public sector employees a flat rate \$1,000 cost of living increase to their base salaries,⁹ with some low-income employees



receiving an additional \$500 base increase.¹⁰ A further pay increase of 3.5 per cent was then applied to these increased base salaries.¹¹ Some low-income employees also received a one-off cash payment of \$1,000.¹²

In December 2023 all salaries increased then by 3 per cent, and low-income employees received another one-off payment of \$500.¹³

In December 2024, all salaries will again increase by 3 per cent, and low-income employees will receive their final one-off payment of \$500.¹⁴

Table 1: Public Sector Union Wages Agreement 2022 Remuneration Increases to 2025								
	Discrete Base Salary	Discrete Base Salary Routine Salary One-off Payment for						
	Increase	Increase	Low-Income Earners					
December 2022	\$1,000; or \$1,500 for	3.5 per cent	\$1,000					
	low-income earners							
December 2023	N/A	3 per cent	\$500					
December 2024	N/A	3 per cent	\$500					

Despite this, the combined impact of the December 2022 discrete and routine increases was considerably below the 7.7 per cent annual inflation observed in Hobart over 2022. Similarly, the 3 per cent increase in December 2023 fell below Hobart's 2023 inflation rate of 3.3 per cent. However, as inflation continues to moderate, there is a strong possibility that the December 2024 increase of 3 per cent will meet or exceed Hobart's annual 2024 inflation.

Other industrial agreements approved by the Tasmanian Industrial Relations Commission over the past three years have embodied this same approach of discrete base salary increases, a 3.5:3:3 approach to routine increases, and one-off payments to low income earners out to December 2024.¹⁵

TSS salaries are considerably, and increasingly, below their mainland counterparts

Given the below-inflation salary increases entrenched in Tasmanian industrial agreements, it comes as no surprise that the Tasmanian public sector remuneration both remains behind and continues to fall behind public sector remuneration in other states and territories.



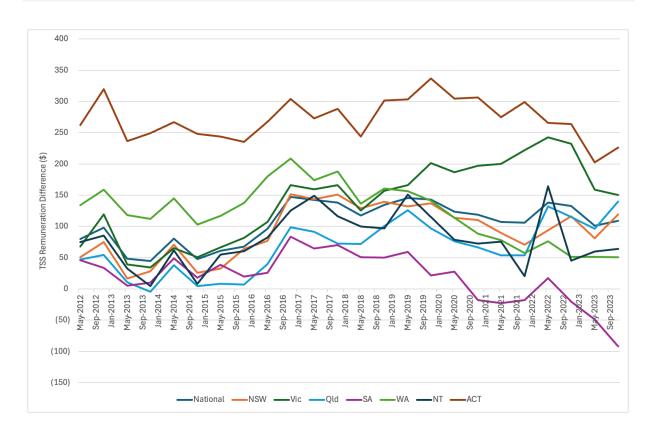


Figure 2: Difference Between Tasmanian Public Sector Workers' Average Full Time Weekly Earnings and National and State/Territory Averages, May 2012 to November 2023¹⁶

Table 2: Weekly Difference in Public Sector Full Time Weekly Earnings, November 2023							
National	NSW	Vic	Qld	SA	WA	NT	ACT
\$108.90	\$119.40	\$150.10	\$139.90	-\$91.80	\$50.60	\$64.00	\$224.50

Table 3: Percentage Change in Difference, May 2013 to November 2023							
National	NSW	Vic	Qld	SA	WA	NT	ACT
37%	134%	122%	196%	-300%	-62%	-15%	-14%

Public sector workers in Tasmania earn almost \$109 per week less than public sector nationally, equating to almost \$5,700 per year. While their weekly income exceeds that of public sector workers in South Australia, it does so just barely. As Table 3 demonstrates, this gap has become worse over time, rising 37 per cent nationally and by over *100 per cent* in NSW, Victoria and Queensland over the past 10 years.

While state public sector workers make up 84 per cent of all public sector employees in Tasmania, these figures are liable to the critique that they cover public sector workers *generally* and therefore include resident Commonwealth and local government public sector employees, rather than just the state public sector.



To mitigate this critique, recent decomposed public sector headcount and spending data is available to isolate state public sector wage and salary spending per state public sector employee It does not, however, bode well for Tasmania.

Wage and salary spending per state public sector employee in June 2023 was the second lowest in the Commonwealth at only \$81,413 compared to the national average of \$86,301.

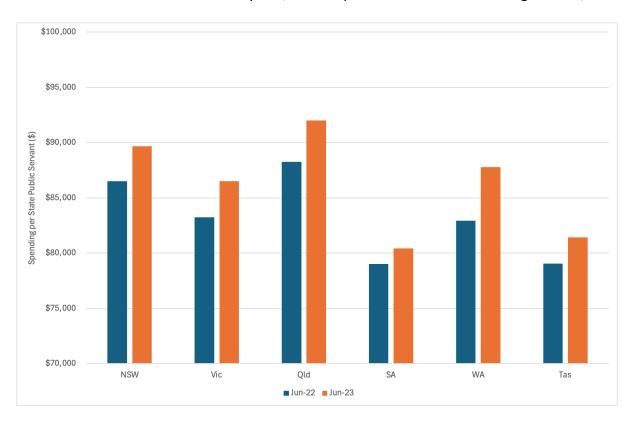


Figure 3: State Public Sector Wage and Salary Expenditure per Worker, June 2022 to June 2023¹⁷

But the recent growth in wage and salary spending shows that Tasmanian public sector salaries show no sign of catching up to the mainland. A snapshot of state public sector wage growth can be approximated for June 2023 by calculating the percentage change between the per public sector wage and salary expenditure between June 2022 and June 2023.



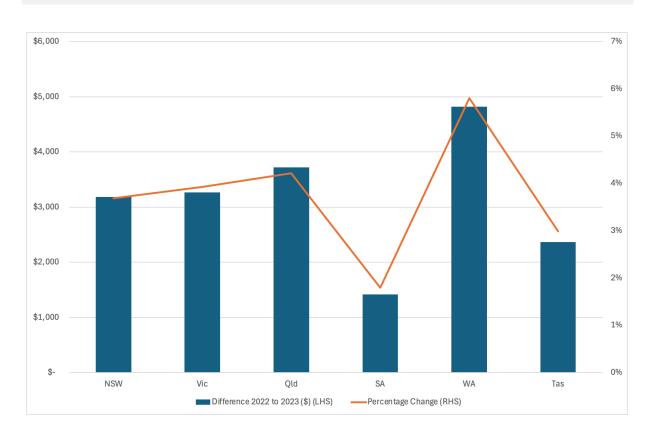


Figure 4: Absolute and Percentage Increase in State Wage and Salary Expenditure per Public Sector Worker, 2022 to 2023¹⁸

Table 4: Per State Public Sector Employee Wage and Salary Expenditure Growth, June							
2022 to June 2023							
NSW	Vic	Qld	SA	WA	Tas		
3.68%	3.92%	4.33%	1.80%	5.81%	2.99%		
\$3,186	\$3,267	\$3,721	\$1,420	\$4,816	\$2,362		

Wage and salary growth for the Tasmanian public sector is the second-worst among the states at only 2.99 per cent between June 2022 and June 2023. This figure is consistent with and reflective of the 3 per cent raise embedded in the *Agreement* (and other comparable industrial agreements) yet it sits disconcertingly below the rest of the federation. All states, bar South Australia and Tasmania, saw well above 3.5 per cent increases in spending per public sector employee over the 2022–23 financial year.

Tasmanian public sector employees have lost 13 years of wage growth

Yet according to Table 4, *no state* matched spending which would outstrip national inflation, which sat at 6.0 per cent nationally for the June 2022 to June 2023 period. In other words, all



state public sector workers across Australia became *worse off* in real terms between June 2022 and June 2023.

Australia's elevated inflation has remained considerably above the RBA's target band of 2 to 3 per cent since June 2021, and wage and salary growth has *consistently* not kept up over this period. If we track the relative change between earnings for public sector employees alongside price growth, it is possible to determine *just how much* worse off public sector employees across the country have become in relative terms over the past few years.

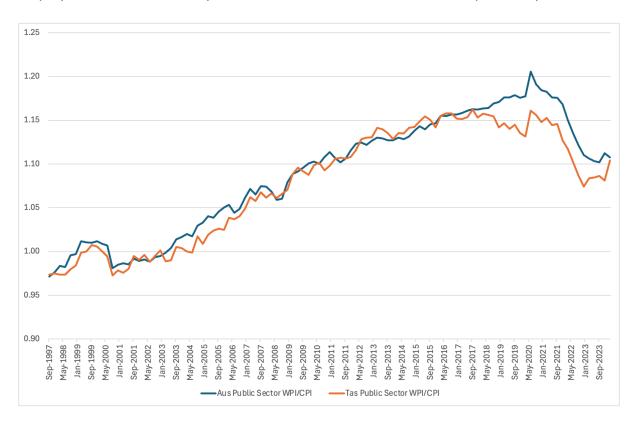


Figure 5: Relative WPI/CPI for Australian and Tasmanian Public Sector Employees¹⁹

As Figure 5 shows, Tasmanian residents in the public sector have seen unprecedented real cuts to their wages. In fact, Tasmanian public sector real wages are now *below* where they were in March 2011, *over 13 years ago*.

Not all of this decrease can be attributed to inflation

But Figure 5 reveals a more disturbing and structural trend in Tasmania. While the drop off in real public sector wages has been experienced across the country, Tasmanian public sector real wages began to decouple from national public sector wage growth as early as September 2017; four years before the current bout of inflation began in June 2021.



Therefore, something independent of the current bout of inflation is at least partially responsible for the precipitous and ongoing decline of real public sector wages in Tasmania.

Jurisdictional-level analysis supports this view. As Figure 6 and Table 5 demonstrate, *every single other jurisdiction* in Australia experienced peak public sector real wages between March and June 2020, whereas *Tasmania experienced peak public sector real wages in September 2017* – almost three years prior.

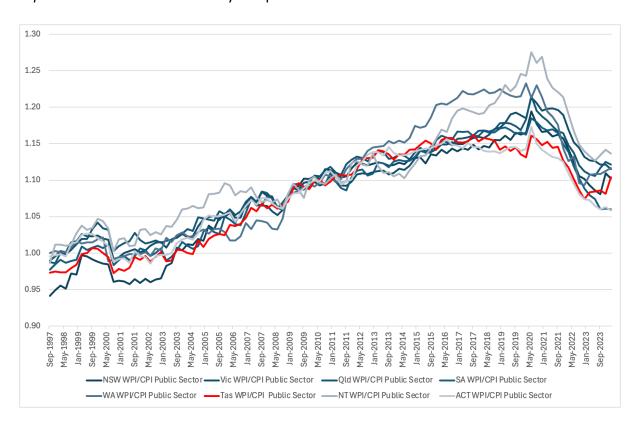


Figure 6: WPI/CPI for State and Territory Public Sector Employees 1997–2023²⁰

Table 5: Peaking Month for WPI/CPI State and Territory Public Sector Employees							
NSW	Vic	SA					
June 2020	June 2020	June 2020	June 2020				
WA	Tas	NT	ACT				
March 2020	September 2017	June 2020	June 2020				

So, what made Tasmania different?

Public sector real wages are determined primarily by two factors: inflation and government wage offers. Higher levels of inflation erode purchasing power of public sector workers and put negative pressure on real wages. Higher government wage-bargaining offers increase the nominal purchasing power of public sector workers and put upward pressure on real wages.



Yet inflation, while volatile, has been felt relatively equally throughout the Commonwealth since 2017. The decoupling of Tasmanian public sector real wages from the Commonwealth-wide trends in 2017 must therefore be attributable to depressed wage-bargaining offers from the Tasmanian Government, rather than any extrinsic macroeconomic factor.

The upshot is that—compared to the rest of the country—the structural decline of Tasmanian public sector salaries has been more a product of politically-driven wage austerity, rather than extraneous macroeconomic factors.

The broad and severe implications of Tasmania's wage austerity

Tasmania's systemically declining public sector salaries are having considerable ramifications for the recruitment and turnover of public sector workers, exacerbating an already acute labour shortage. This conclusion is borne out in the data. Public sector vacancies have grown in Tasmania *by 450 per cent* since May 2012. This increase is—by far—the greatest observed in the Commonwealth.

Table 6: Public Sector Vacancy Growth, May 2012 to May 2024							
NSW Vic Qld SA WA Tas NT ACT						ACT	
272%	191%	77%	222%	89%	450%	22%	127%



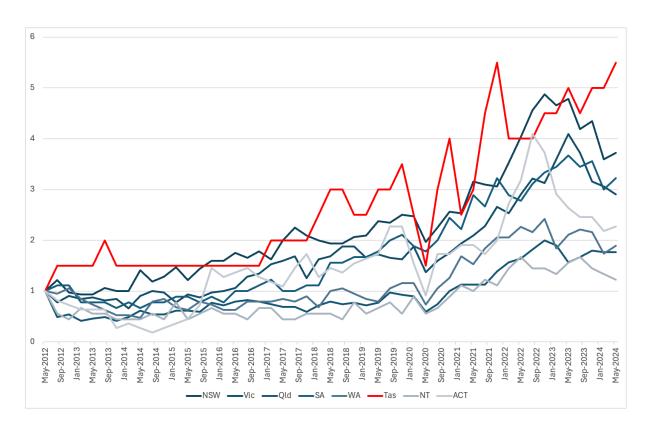


Figure 7: State Relative Public Sector Vacancies, May 2012 to May 2024, May 2012 = 1²¹

Relevantly, Figure 7 shows the vast majority of the vacancy growth to have occurred from September 2017—the exact time when real public sector wages began to fall. This relationship is entirely understandable. As real public sector wages decoupled from the rest of the country, Tasmania simply became an unattractive destination for both home growth talent and prospective public sector employees from the mainland.

While relatively low housing costs once compensated for comparatively low salaries, this is no longer the case in Hobart or Tasmania more generally. Since 2003, established dwelling prices have increased by 319 per cent in Hobart, and 316 per cent for the rest of Tasmania. This growth is, by far, the greatest capital and non-capital city dwelling price growth in any Australian jurisdiction.²²

The aggregate decline in real public sector wages is also observed in comparing starting salaries for graduate public sector employees. Graduate teachers, for example, are the lowest paid in the nation, seeing over \$11,000—or 15 per cent—less per annum than their ACT counterparts.



Table 7: Graduate Teacher Starting Salary, August 2024							
NSW	Vic	Qld	SA	WA	Tas	NT	ACT
\$85,000	\$78,021	\$81,628	\$80,093	\$78,397	\$77,069	\$84,191	\$88,615

Despite Tasmania's extreme growth in public sector vacancies and demand for public sector workers, it has been observed that the structure of Tasmania's public sector is ill-fitted to absorb newer graduate employees.

For example, in June 2024, Belinda Jessup and her coauthors observed that only 5 per cent of advertised jobs in the Tasmanian health sector were suitable for graduates. Of these advertised jobs, almost none were available in regional or remote areas of the state where demand is most acute.²³ This inability to recruit, retain and remunerate graduates in the Tasmanian public sector has serious implications for long term workforce planning in the state.

The repercussions of Tasmania's more general public sector workforce challenges are already being felt across public services due to key worker shortages. For example, hospital wait times are worse than they were ten years ago with only 49 per cent of patients seen on time—the second worst figure in the Commonwealth.²⁴ Tasmania's schools are suffering an acute teacher shortage, with up to 50 classes a day across the state without a regular teacher.²⁵ Prohibitively high vacancies are putting extreme pressure on already overwhelmed child protective services.²⁶

The conscious political decision to undermine real public sector wage and salary growth is having a profound impact on Tasmanian workers and service delivery. Existing public sector workers are seeing their salaries fall behind the rest of country, precipitating a raft of resignations and mainland emigration. Salary offerings for fresh graduates are markedly below mainland benchmarks, undermining recruitment and long-term workforce planning. All the while, essential services are buckling under the weight of high demand, placing further pressure on the existing workforce in an increasingly vicious cycle.

Public sector wage-setting drives private sector wage growth

By all accounts, Tasmanian public sector workers are getting a raw deal. They experienced some of the worst wage growth in the Commonwealth over 2022–23 period, and have been



suffering a structural—rather than mere transient—real decline in their wages *over the past seven years*. These dynamics have the joint effect of undermining retention, recruitment, and public service quality and reliability.

The Tasmanian Government's approach to wage-bargaining with its public sector also overlooks the crucial role that public sector wage growth can play in driving private sector wage growth and economic growth more broadly.

It is well documented that from 2013 public sector salary caps played a 'major contributing role in the unprecedented slowdown of wage growth' across the country since 2013.²⁷ Former Reserve Bank of Australia Governor Philip Lowe acknowledged as much as early as 2019, when he told a parliamentary committee that such caps served simply to 'entrench low wage norms in our country' across both the public *and* private sectors.²⁸

Indeed, as Troy Henderson identified in 2018, there are three mechanisms by which depressed public sector wage growth 'spills over' into private sector remuneration and wage growth generally:

- Composition effect: This refers to the 'direct impact' that low public sector wage growth has on wage growth when measured across the whole economy. Economies where public sector employees represent a larger proportion of the labour force—such as Tasmania's—are more susceptible to seeing overall wage growth due to the composition effect.
- Demonstration effect: This refers to the way in which suppression of public sector salaries
 establishes a 'highly visible benchmark' against which private employers can base their
 salary offerings and justify wage restraint. As the largest single employer in the state of
 Tasmania, public sector salary offerings set an unambitious central reference point for
 private employers across the entire state.
- Macroeconomic effect: Finally, there is an observed negative macroeconomic effect of suppressed wage growth: that is, it undermines take-home incomes and in doing so aggregate demand across the economy.²⁹



Henderson concluded that public sector wage caps serve simply to 'repress public sector wages growth, negatively impact broader labour market conditions and remove the right of public sector workers to free and collective bargaining over pay and conditions'.³⁰

And he is not alone in this conclusion. Only recently, Professor Jeff Borland found that '[p]ublic sector wage caps may be slowing overall wage growth' across the country. International comparative studies corroborate these findings. Indeed, a study of all OECD countries over a 27-year period concluded that the 'growth of public sector wages ... positively affects the growth of private sector wages'.³¹

The most lucid confirmation of Henderson's thesis in the Australian context was published recently in March 2024. Martin O'Brien and his coauthors analysed intra-industry linkages between public and private sector wage growth in education and health—traditionally two of the largest public sector employers. Their findings directly supported Henderson's second mechanism: the 'demonstration effect'.

Analysing private and public sector wage dynamics across the health and education sectors of NSW and Victoria from 2008, they concluded that 'the public sector was the wage leader in all models'.³² Public sector wages drove private sector wages in these industries; not vice versa.

The authors identified two important policy implications of their research, with potentially wide-reaching repercussions for public sector wage setting. First, that 'market forces may have been superseded by political forces in the determination of wage growth'. In other words, the government can *effectively set private sector salaries* for industries with a high proportion of public sector workers such as health and education.³³

Secondly, that the NSW public sector wage cap *did in fact* contribute to sluggish wage growth and economic growth throughout the late 2010's. There is no reason to assume that these results are not transferrable to Tasmania, given the state's high proportion of public sector workers and the 2 per cent annual wage caps instituted throughout the 2010s.³⁴

Rather than being nothing more than a drag on the fiscal bottom-line, all signs point to public sector wages being a crucial driver of long-term private sector wage growth and prosperity.



This is particularly so in jurisdictions where public sector employees represent a significant proportion of the total workforce, such as Tasmania.

Conclusion

Tasmanian public sector workers have been falling behind for years. They are among the lowest paid in the entire nation, and this gap appears only to be getting worse—with wage growth being among the worst as well. Almost all current industrial instruments covering Tasmanian public sector employees have entrenched sub-inflation salary increases out to 2025. While these increases are certainly above those seen in previous years, they are simply unable to keep up with the burgeoning cost of living in Tasmania, especially in relation to housing.

Yet Tasmanian public sector worker salaries have been decreasing *since 2017*, whereas the rest of the country's public sector employees saw their salaries peak in 2020 and decrease since. Inflation, accordingly, has played less of a role in suppressing real public sector wages in Tasmania than in other jurisdictions. The decrease, then, lies primarily with the state government's consistent sub-inflation wage offers over the past seven years.

This endemic public sector wage austerity, observed across the country since the 2010s, leaves everyone worse off. It not only leaves less money in public sector workers' pockets, it leads to a vicious cycle of high vacancy rates and declining service quality. Paying public sector workers a living wage is also an opportunity to drive private sector wage growth.

Rather than being a fiscal millstone, giving public sector employees the salaries they deserve is both a social and economic imperative, and an opportunity for *all* Tasmanians.



Endnotes

¹⁵ 'Public Sector Agreements: Current Agreements', *Public Sector Agreements: Current Agreements* (Web Page, 31 July 2024) https://www.tic.tas.gov.au/public_sector_agreements>.



¹ Due to the availability of data, for the purposes of this analysis the Hobart consumer price index has been used as a proxy for inflation across Tasmania as a whole.

² Australian Bureau of Statistics, *Consumer Price Index, March Quarter 2024* (24 April 2024) < https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/mar-quarter-2024; Table 10.

³ Australian Bureau of Statistics, *Average Weekly Earnings, Australia, November 2023* (22 February 2024) < https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/latest-release#state-and-territory; Tables 13a–13h.

⁴ Australian Bureau of Statistics, *Labour Force, Australia, June 2024* (18 July 2024) < https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/jun-2024#states-and-territories; States and Territories June 2024 – Trend .

⁵ Colony47 and MyStateBank, *Financial Wellbeing in Tasmania* (Report, June 2024) < https://mystate.com.au/wp-content/uploads/Colony 47 and MyState Bank Financial Wellbeing in Tasmania.pdf> [2].

⁶ Department of Premier and Cabinet, *State Service Workforce Report* (Report No 1, 2024) < https://www.dpac.tas.gov.au/divisions/ssmo/about_ssmo/state_service_workforce_report-no-1-of-2024>.

⁷ See *Industrial Relations Act 1984* (Tas) pt IV.

⁸ For a list of live agreements see 'Public Sector Agreements: Current Agreements', *Public Sector Agreements: Current Agreements* (Web Page, 31 July 2024) https://www.tic.tas.gov.au/public_sector_agreements.

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¹⁰ Public Sector Union Wages Agreement 2022 cl 7.3.

¹¹ Public Sector Union Wages Agreement 2022 cl 7.1(i).

¹² Public Sector Union Wages Agreement 2022 cl 7.6(i).

¹³ Public Sector Union Wages Agreement 2022 cls 7.1(ii), 7.6(ii).

¹⁴ Public Sector Union Wages Agreement 2022 cls 7.1(iii), 7.6(iii).

- ¹⁶ Australian Bureau of Statistics, *Average Weekly Earnings, Australia, November 2023* (22 February 2024) < https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/latest-release#state-and-territory; Tables 14a–14h.
- ¹⁷ Australian Bureau of Statistics, *Public Sector Employment and Earnings, 2022–23* (9 November 2023) < https://www.abs.gov.au/statistics/labour/employment-and-unemployment/public-sector-employment-and-earnings/latest-release>.
- ¹⁸ Australian Bureau of Statistics, *Public Sector Employment and Earnings, 2022–23* (9 November 2023) < https://www.abs.gov.au/statistics/labour/employment-and-unemployment/public-sector-employment-and-earnings/latest-release>.
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- ²⁰ Australian Bureau of Statistics, *Wage Price Index, Australia, March 2024* (15 May 2024) < https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/mar-quarter-2024; Table 5.
- ²¹ Australian Bureau of Statistics, *Job Vacancies, Australia, May 2024* (27 June 2024) < https://www.abs.gov.au/statistics/labour/jobs/job-vacancies-australia/latest-release#data-downloads Table 3.
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- ²⁸ Quoted in David Marin-Guzman, 'Lowe calls for 3pc pay rises for public sector', *Financial Review* (online 9 August 2019) < https://www.afr.com/work-and-careers/workplace/rba-governor-calls-for-3pc-public-sector-wage-increases-20190809-p52fid>.
- ²⁹ Troy Henderson, 'Public Sector Austerity and its Spill-over Effects', in Andrew Stewart, Jim Stanford and Tess Hardy (eds), *The Wages Crisis in Australia* (University of Adelaide Press, 2018) 115, 124–5.
- ³⁰ Troy Henderson, 'Public Sector Austerity and its Spill-over Effects', in Andrew Stewart, Jim Stanford and Tess Hardy (eds), *The Wages Crisis in Australia* (University of Adelaide Press, 2018) 115, 126.
- ³¹ See Antònio Afonso and Pedro Gomes, 'Interactions Between Private and Public Sector Wages' (2014) 39(A) *Journal of Macroeconomics* 97, 97.
- ³² Martin O'Brien, Paul Gollan and Florian Gerth, 'Who's the Boss? Exploring Public and Private Wage Growth Leadership in State-level Education and Health Industries in Australia' (2024) *Applied Economics Letters* 1, 3.
- ³³ Martin O'Brien, Paul Gollan and Florian Gerth, 'Who's the Boss? Exploring Public and Private Wage Growth Leadership in State-level Education and Health Industries in Australia' (2024) *Applied Economics Letters* 1, 5.
- ³⁴ Martin O'Brien, Paul Gollan and Florian Gerth, 'Who's the Boss? Exploring Public and Private Wage Growth Leadership in State-level Education and Health Industries in Australia' (2024) *Applied Economics Letters* 1, 5.



²⁶ Lucy MacDonald, 'As Labor questions 4yo's death and high staff vacancies, Tasmanian government pledges "laser focus" on child protection', *ABC News* (online, 13 June 2024) < https://www.abc.net.au/news/2024-06-13/high-staff-vacancy-child-safety-services-offer-cash-incentive/103971638>.

²⁷ The Australia Institute, *The Cumulative Costs of Wage Caps for Essential Workers in NSW* (Report, November 2022) 15.