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Wages continue to lag as growth slows

In a direct rebuke of the Morrison Government's ideological view that GDP growth leads to wage growth working people are being forced to dip into their savings to keep the lights on as, at just 2.1% for the private sector and 2.3% overall, wage growth continues to lag behind the modest GDP growth of 2.8%.

The growth in household consumption was driven by non-discretionary spending on essential items like food and housing while spending on discretionary items slowed during the quarter.

With the annualized GDP growth rate dropping from 3.4% last quarter to 2.8% this quarter Australian's are feeling the squeeze of low wages, increased costs of living and rising job insecurity.

Household savings continue to shrink – from 3.2% to 2.4% compared to this time last year – showing the failure of the Morrison government's economic management.

The disconnect between GDP growth and wage growth for working people exposes the lie at the heart of the Morrison Government's failed trickle down ideology.

Working people do not benefit from growth in GDP when they do not have the power to fight for and win wage rises and a fair share of what they generate.

Quotes attributable to ACTU Assistant Secretary Scott Connolly:

“People are tired of being told to wait for wages to trickle down. This is the self-serving rhetoric of a government determined to lift profits no matter the cost to workers or the broader economy.

“Australia will not achieve economic growth in the 3% range while wages lag, people have to draw down on savings just to keep on top of the cost of living and the Morrison government refuses to address record levels of job insecurity.

“We need to put the power back in the hands of working people so they can win fair wages. Higher wages help grow the economy as people spend with confidence, increasing demand and lifting overall gross domestic production.

“Wage growth isn't keeping pace with the cost of living. Working people are dipping into their savings to try to maintain their living standards. People are being forced to do more with less month after month while profits continue to grow. If we want to see broad based economic growth than this inequity must end.

“Working people can't afford to wait any longer, we need to change the rules so workers can win fair wage increases.”

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