

Tuesday 3 June 2019

Rates cut to emergency levels under Morrison's failed economics

The Reserve Bank of Australia's cut to interest rates comes as a result of weak wage growth, stagnant household incomes, low inflation growth and slowing economic growth.

The first interest rate move since August 2016 is a damning indictment on a Government who campaigned on their ability to deliver a strong economy.

Overall economic growth is slowing dramatically. Average wages have grown by around 2 percent per year over the last six years – the slowest period of growth since the end of the Second World War.

The weakness in the Australian economy can clearly be seen. Not only does Australia face a wages crisis, unemployment and underemployment are now rising.

Around 1.8 million people are either unemployed or looking for more work. Australia has one of the highest levels of underemployment in the OECD.

The RBA is doing what it can to bail out the Morrison Government but it has very little room to move after six years of inaction and denial from the Abbott/Turnbull/Morrison Government.

This rate cut will not fix the economic slow-down we are seeing, only a wage rise for working Australians will do that.

Quotes attributable to ACTU Assistant Secretary Liam O'Brien

"The rate cut today is just the latest indicator that the economy is faltering because the Morrison Government refuses to acknowledge that low wage growth is a national crisis.

"This Government has done nothing as the economic damage of the wages crisis has piled up. They are asleep at the wheel, ignoring the impact that their policies are having.

"Working people have been without a real pay rise in six years and face another penalty rate cut in a few weeks. They have nothing left to spend and it's causing serious damage to the economy.

"The Morrison Government is ignoring everyone other than big business. More Australians are being forced into multiple jobs, insecure work and poverty wages every day and still, nothing from this Government.

"A rate cut will not reverse the wages crisis or undo years of inaction from the Morrison Government. We need to give working people more power to win pay rises and protect their conditions."

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