

Wednesday, 14 August 2019

## Wage crisis continues under Morrison

The Morrison Government's wage growth crisis which has resulted in almost seven years of near-record low wage growth continues, according to Wage Price Index (WPI) statistics released this morning by the ABS.

WPI continues at 2.3 per cent for the year to the June quarter, barely above CPI.

Earlier this week the Reserve Bank Governor identified the Morrison Government's public sector bargaining cap as a key contributor to the crisis.

Morrison Government ministers have described low wages growth as a "design feature" of their policy.

Working people have little or no discretionary income, and this is forcing hundreds of thousands of people to take up second and even third jobs, while also stalling the economy as people have nothing left to spend.

This can be seen in the recent NAB business survey which showed that retail sales are in recession-like conditions, lower than they were during the Global Financial Crisis. Total retail sales are at their lowest point since the 1990-91 recession.

The Morrison Government has contributed directly to the wage growth crisis by cutting penalty rates, capping public sector pay rises and refusing to support a living wage which would lift many low-paid workers out of poverty.

### Quotes attributable to ACTU Secretary Sally McManus:

"This wages crisis has been created by the Morrison Government. The economy is stalled because it is Government policy to keep wages low as that is what big business wants.

"The RBA has said that wage increases are necessary to re-start the economy, but the Morrison Government has no plan to increase wages. This Government has described low wages growth as a design feature of their policy settings.

"Working people have very little disposable income and are raiding their savings, retail sales are at their lowest point since the 1990-91 recession and still the Morrison Government will not act.

"The Morrison Government could restore penalty rates immediately and begin working towards a living wage. It could fix our broken bargaining system and get wage rises flowing through the economy, but instead it does nothing and tells working people to wait for profits to trickle down.

**Media contact: Peter Green 0400 764 200; ACTU Media: 03 9664 7315**