

Wednesday, 1 March 2023

RBA and big business bleed household savings dry

The RBA and big business are pushing workers and the economy closer to a cliff edge, today's National Accounts figures show.

Any savings working people accumulated during the Covid period are rapidly deteriorating, having dropped to 4.5% of income from a pandemic high of 23.6%, as rising interest rates and ballooning grocery prices are rapidly depleting household savings.

Economic growth is weakening: the economy grew by 0.5% in the December 2022 quarter, down from 0.7% in the September quarter. Unemployment is also worsening, rising to 3.7% in January, up from 3.5% in December.

In response to these figures, the ACTU today repeats its call for the RBA to cease interest rate rises and for companies including Qantas, Woolworths, Coles and the Commonwealth Bank, which have all posted surging profits in recent weeks, to stop their profiteering.

With corporate profits strong and wage growth moderate, workers' share of GDP has declined to a near record low.

Quotes attributable to ACTU Secretary Sally McManus:

"Between the RBA and big companies, the average Australian has had their modest savings bled dry because of interest rate rises and big business keeping prices far higher than they need to.

"Essentially, we're seeing a transfer of wealth from working people to the big banks and supermarkets. It's a greed-price spiral.

"The economy is slowing, unemployment is worsening and inflation is starting to ease. Today's figures show it's past time for the RBA to stop interest rate rises and for big business to stop price gouging."

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