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No wage growth slows spending, GDP growth

The wage growth crisis has become deep enough that the lack of income people have to spend is slowing GDP growth, according to National Accounts data released this morning by the ABS.

Household final consumption expenditure increased just 0.4% in the December quarter 2018, with through the year growth moderating to 2.0%.

Spending by working people is the engine of the domestic economy, but with wage growth at or near record lows for the last 6 years, they have nothing left. The Morrison Government has offered nothing but the empty promise of trickle-down economics and now the entire economy is suffering.

Quotes attributable to ACTU Secretary Sally McManus:

“Working people need higher wages. Spending is slowing because people don’t have anything to spend.

“This is a product of the policies of this Government. It has slashed penalty rates, opposed increases to the minimum wage and ignored the insecure work crisis.

“Wage increases don’t fall from the sky, they happen when the minimum wage goes up or when working people have the negotiating power to win them. We need to fix out industrial relations system which is badly out of balance, so that working people have the power to win pay rises.

“The Morrison Government has no plan to end this crisis, only more of the same failed policies which have led us to this point. More money for the big end of town while working people struggle to pay their bills.”

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