

Tuesday 18 June 2019

RBA raises concerns about high levels of underemployment

Notes from the Reserve Bank's June meeting, at which it lowered Australia's interest rate below emergency levels, reveals the bank is concerned about the rates of unemployment and underemployment in the Australian economy.

The RBA noted that 'on a number of measures, it was apparent that the labour market still had significant spare capacity'.

Last week the monthly seasonably adjusted underemployment rate increased 0.1 to 8.6 per cent.

Around 1.8 million Australian workers are either unemployed or underemployed. The underutilisation rate is currently 13.7 per cent. This interacts with 40 per cent of people being in insecure work.

Wages growth is the slowest of any sustained period since World War II.

The Morrison Government has no plan to address wage growth or address the insecure work crisis and is instead about to oversee more cuts to penalty rates on the same day that politicians will receive a pay rise.

Quotes attributable to ACTU Secretary Sally McManus:

"High levels of underutilisation, insecure work and low wage growth are the hallmarks of the Morrison Government.

"We have a wages crisis because working people lack the bargaining power to win the pay rises that they, and the economy, need.

"When people are stuck in insecure jobs or jobs where their employer can cut their hours, they are in a weak bargaining position. When people are not union members they are in a weak bargaining position.

"The solution to the low wage growth crisis is both for worker's rights to be strengthened and rebalanced and for people to join their union.

"Instead of taking to address low wage growth, in a fortnight the Morrison Government will cut penalty rates again, on the same day that politicians will be granted a pay rise."

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