

Wednesday 31 July 2019

CPI stalled as wage growth crisis continues

The Consumer Price Index sits at 0.6 per cent for the June quarter, offering no indication of a strengthening economy, according to data released by the ABS this morning.

The cost of non-discretionary items is increasing ahead of CPI, meaning that low-paid workers are being left with even less.

Despite warnings from unions, economists and even the RBA itself that wage growth is urgently needed to re-start the economy, the Morrison Government has proudly described the nearly seven year stretch of near-record low wage growth under its management as a ‘design feature’ of its economic policies.

All but two of the last 19 quarters under this Government have seen inflation below the RBA’s target range, a clear sign of a slowing economy with no turn-around in sight.

This data follows the HILDA survey results yesterday which showed that median disposable household income had gone backwards between 2009 and 2017.

Quotes attributable to ACTU Secretary Sally McManus

“The economy has stalled because working people have nothing to spend. The Morrison Government has designed a system of economic policies which have given employers unprecedented power to suppress wages, and the resulting lack of wage growth has crashed the economy.

“The only thing keeping CPI from completely bottoming out is the constantly increasing costs of essential items. Even as the economy stalls, the cost of living is going up for working people.

“This Government has no plan to increase wage growth because low wage growth is its plan. The Morrison Government has created a record period of low wage growth because that is what its backers in the business community told it to do.

“This stagnation in the economy is hurting everyone. When workers have to cut back to the bare essentials, they can’t spend anything in local businesses. They don’t eat out, they don’t buy anything they don’t have to. Wage growth is essential to re-starting spending.

“The legacy of this Government will be a record period of low wage growth, and an economy which is barely growing.”

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