

Wednesday 1 June 2022

## Worker's share of GDP hits all time low as profits and productivity increase

Productivity is growing at almost twice the average rate over the past decade and profits are increasing at more than 20 per cent, but labour share of GDP has hit an all time low according to the National Accounts data released by the ABS this morning. Urgent action is needed to ensure that working people share in the wealth of the economy and in the recovery from the pandemic.

Productivity grew 2.8 per cent in the year to March, almost triple the average of about 1 per cent over the past decade. Business profits doubled from last year to reach 21.6 per cent for the year to March, while labour share of national income fell to the lowest on record at 45.1 per cent.

The cost-of-living crisis continues and its imperative that workers receive a pay rise so that their wages do not continue to go backwards.

We welcome the Albanese Government's decision to make a submission to the Fair Work Commission to support wages growth.

### Quotes attributable to ACTU Secretary Sally McManus:

"Productivity and profits are at record high levels, while workers are experiencing both real wage cuts and a cost-of-living crisis.

"Workers share of our national income is now at the lowest level on record. Our country needs to face up to this enormous challenge. Working people must not have their living standards go backwards.

"Action must be taken to ensure the over 13 million working people of our country are sharing our nations prosperity. At the moment they are not, and this cannot continue.

"The union movement wants to work with the new government, business, and civil society to address this pressing issue.

"Today's ABS data reveals that businesses can easily afford fair wage increases that would stop further real wage cuts and address the cost-of-living crisis. It's time for action to end years of low wage growth and real wage cuts."

**Media contact:** Isabella Tilley 0414 894 040