

Tuesday, 6 June 2023

## Working people being hit by profit-price spiral.

Today's interest rate hike of 25 basis points to 4.1% will be a real hit to workers' ability to keep their heads above water.

This hit will just hurt families purchasing power.

We've seen record profits announcements from the big four banks, with the Commonwealth bank posting a \$5.15 billion half-year profit alone. Other half-yearly profits include Coles posting \$616 million, Ampol over \$440 million, and Qantas \$1.4 billion in half yearly profits.

In February research by the Australia Institute economist Dr Jim Stanford showed that inflation would have stayed within the RBA's target band had companies not pumped-up prices and squeezed consumers.

Real wages fell by 3.3% in the year to March 2023. Indeed, wages are 5.4% lower in real terms today than they were before the pandemic hit.

### Quotes attributable to ACTU Secretary Sally McManus:

"The Reserve Bank seems hell bent on crushing consumers and continues to punish those who did nothing to cause this cost-of-living crisis. Inflation has been driven by supply issues which are resolving as well as companies that dominate our economy taking this opportunity to deliver big profits by increasing their prices more than they need to.

"We are concerned about consumer spending as we know many families are severely cutting back and now, they may need to cut back more, especially if landlords continue to put up the price of rents and if supermarkets do not drop their prices. You cannot have a healthy national economy if people do not have confidence in their household budgets.

"This is the wrong decision, action which is designed to put more pressure on those who cannot afford it and to push up unemployment.

**ENDS**

Media: Gareth Hathway 0499 878 782