

Profits outpace wages as productivity up: time for workers to be fairly rewarded

New data from the ABS today reported the Australian economy grew 0.2 per cent over the final three months of 2023, and 1.5 per cent over the year.

Company profits have again outpaced wages this quarter with non-mining profits in December 2023 up 6.2 per cent compared to December 2022, while wages only increased 4.2 per cent over the year, as measured by the Wage Price Index.

The data also revealed that workers are spending more on essential items than this time last year (up 1.2 per cent), and less on discretionary items than this time last year (down 1.6 per cent). This is against a backdrop of growing corporate profits, with profit share increasing to 27.1 per cent, up from 26.8 per cent in September.

Market sector labour productivity rose 0.6 per cent in the quarter and 1.3 per cent over the year, the second consecutive quarter of positive quarterly growth and the first quarter of annual growth since June 2022. Workers worked similar hours to last quarter, suggesting gains were driven by increased output per hour worked.

Quotes attributable to ACTU Assistant Secretary Liam O'Brien:

“Profits continue to drive inflation with profits again outpacing wages growth. This data reminds us yet again that Australian workers are not getting their fair share of the wealth they are creating.

“The ABS data suggests that the growth in productivity has come from workers working harder, but wages are not keeping pace with the mega profits’ companies are posting. Unions will continue to campaign to ensure workers get the rewards their hard work deserves”.

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