

Tuesday 7 May 2019

## Morrison's failed policies stall economy

The fact that the RBA has seriously considered cutting interest rates is because of stagnant household incomes, weak retail trade spending, weak wages growth, low inflation growth and a weak economy overall.

The labour market faces high levels of unemployment and underemployment – currently around 1.7 million people in total, with over 1 million workers underemployed. Australia has one the highest rates of underemployment in the OECD

The stalling growth of the economy has been caused by reduced consumer spending, caused by the ongoing twin crises of low wage growth and insecure work.

Record low wage growth is seeping through and dampening economic conditions. In the second half of last year economic growth started to slow. This is not surprising when average wages have been growing at about 2% per year for the last six years. That's the slowest sustained growth since the end of the Second World War.

Interest rates have been at emergency levels for almost the entire duration of this Government. Never before have rates been this low for this long.

The Morrison Government has not simply stood by and watched these issues unfold, but has been a key factor in causing them; voting to cut penalty rates, refusing to back meaningful increases in the minimum wage or NewStart, backing the ability of employers to terminate agreements and capping pay rises for their own employees below inflation.

Mathias Corrmann admitted on national TV that low wages growth was a design feature of the economic policies of this Government.

### **Quotes attributable to ACTU Secretary Sally McManus:**

“The Morrison Government has caused a wage growth and insecure work crisis and is driving the economy into the ground.

“This government has managed the economy exclusively for big business and has ignored the immense impact this has had on the quality of life of working people.

“We are seeing the economy-wide impacts of the Morrison Government failed economic policies, but the Government refuses to act. Morrison will not implement a living wage, or reverse his own penalty rate cuts, or grant pay rises for his Government's thousands of employees. Instead he will try to give even more tax payer money to big business through yet more tax cuts.

“We need a Government which will act to end the wage crisis and improve quality of life for working people. We need to change the government to change the rules.

“The Morrison Government has chosen again and again to put big business ahead of ordinary people, and we are seeing the damage caused by those decisions.”

**Media contact: Peter Green 0400 764 200; ACTU Media: 03 9664 7315**