media release

ACTU
australian council of trade unions

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Economy Slows, Workers' Troubles Deepen

New data released from the ABS today reported that the Australian economy is continuing to slow, with GDP growth falling to 0.2% for the March quarter and 2.3% for the year, under the weight of sustained interest rate rises from the RBA.

The stark reality is that workers are struggling to keep up with increasing costs. The household savings ratio has continued its 5 consecutive quarters of reduction, falling to 3.7% - the lowest proportion since 2008. This clearly demonstrates the many households are reaching their fiscal limit and are unable to meet their costs or save for emergencies.

The amount of money spent servicing mortgages has now more than doubled in the past year. Workers are being squeezed by the RBA as it undertakes the most rapid cycle of rate rises in thirty years.

All of this is occurring as workers' share of GDP has continued to bump along the bottom at near record lows. Wages as a share of GDP bounced slightly to 46% in the March quarter but this remains well below long term averages, barely up from the all-time record low in June 2022. Workers must receive their fair share of the value they create – particularly at a time when corporate profits are driving up prices and the RBA is turning the screws.

Quotes attributable to ACTU Assistant Secretary Joseph Mitchell:

"This release confirms what most workers already know – they are being squeezed between corporate-driven price increases and the RBA. Workers are not responsible for this, but they're the ones paying the price."

"Big businesses and the RBA are telling workers they should accept lower wages, cut their spending on necessities, somehow find more hours for work or even move into share houses to afford to live but these figures show the reality. Workers are already doing everything they can, and they are running out of options."

"Workers need to receive a fair share of the value they create. Until wages return to a decent share of GDP, workers are going to be trapped between profiteering big business, falling real wages and an RBA who seems happy to continue to prescribe them more pain as the solution to the economy's problems."

ENDS

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