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RBA'S STATEMENT POINTS TO SIGNIFICANT FALL IN ECONOMIC GROWTH

In a major blow to the Liberal Party's claim of good economic management, the Reserve Bank of Australia's Statement on Monetary Policy today shows it is now anticipating below trend growth of 2.5 per cent for this financial year, a substantial fall on the 3.25 per cent expected previously.

The RBA's growth forecasts are now below the Government's own forecasts delivered in MYEFO just two months ago.

The RBA said in in the Statement on Monetary Policy (page 2):

“In the context of high household debt, currently weak income growth and falling housing prices, the resilience of consumption growth is a key uncertainty for the overall outlook.”

This could have implications not just for the broader economy but for the upcoming Federal Budget.

Federal Labor has been warning about concerns with the global economy and the consumption effect of falling house prices across the country for months now.

Josh Frydenberg at the time attacked Labor for pointing out the potential for slower growth, in part flowing from mixed global economic news.

When Josh Frydenberg delivered MYEFO in mid-December, there was no mention of global headwinds – something the Prime Minister has spoken of in recent times.

The RBA's downgraded economic forecasts comes a day after analysis from the ANU's Centre for Social Research showed that for the last three years,

living costs have outstripped wages growth by 2.9 per cent.

The same analysis shows that since September 2013, living standards have fallen by 1.2% which compares to a 7.6% increase under the former Labor Government.

Under the Liberals, the Australian economy is not working for working people.

Economic growth is slowing, living standards have stagnated, and the cost of living keeps rising.

This is the true state of the economy under the Liberals.

And the Liberals' cuts and chaos is making the economy worse instead of better.

It's time the Liberal Party dropped the focus on itself and the Labor Party – and started to focus on the economic issues that matter, like low wages growth, falling business investment and the slowing economy.

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