ACTU australian council of trade unions

media release

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IMF Report: Taxing the rich will reduce inequality, preserve growth

An IMF report released today shows that the Turnbull Government's tax cuts for big business would increase inequality and concentrate more wealth in the hands of the few, echoing the calls from the Australian Union movement to end the corporate tax cuts and urgently address inequality.

The Report shows top tax rates in OECD countries have fallen, on average, from 62% to 35% between 1981 and 2015, and that tax increases for the rich would not impact economic growth.

Over the same period income has become more and more concentrated among the top 5 per cent of income earners.

The Turnbull Government's policy of cutting taxes for the rich and big business, while increasing taxes for middle income Australians, will increase inequality.

Quotes attributable to ACTU Secretary Sally McManus:

"The government's policies of cutting taxes for the very wealthy and big business are making inequality worse.

"The IMF report shows that this approach has failed, trickle-down economics has failed. The rich have not put limits on their greed and given wage increases and good steady jobs back to everyone else. The people, through our governments, will need to put limits on their greed to bring fairness back.

"Australians need a pay rise. We need corporations and the already rich to actually pay tax.

"We now have record low wage growth, inequality at 70 year highs, and 40% of Australians are in insecure work.

"We need to change the rules so that the very rich pay a fair share of tax, inequality is reduced, and workers get a pay rise and more secure work."

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