

Monday 18 December, 2017

MYEFO contains more trickle down economic fantasies

Today's MYEFO contains more trickle down economic fantasies, with nothing to help working people get a pay rise, or address the increasing casualisation of the workforce.

Rather than assisting working people get a pay rise and a secure job, this Government has attacked unions, cut penalty rates, and refused to support increases to the minimum wage – yet it continues to forecast strong wage growth.

The Turnbull Government has been forced to revise down their baseless and fictional wage growth estimates from just six months ago, however the projections remain unrealistic and the Government has done nothing to break wage growth out of a record slump.

XXXX	2016-17	2017-18	2018-19	2019-20	2020-21
Wage Price Index May 2017	2	2.5	3	3.5	3.75
MYEFO	1.9	2.25	2.75	3.25	3.5
Reduction	0.1	0.25	0.25	0.25	0.25

MYEFO also includes a massive \$2.1 billion cut to higher education, and a lowering of the higher education loan repayment threshold by \$11,000 compared to the current threshold to barely more than the minimum wage – a massive tax slug to all university and TAFE graduates.

Net debt is still increasing. Net debt in 17-18 was projected to be \$264 billion in 2014-15 Budget and is estimated to be \$354.9 billion in this MYEFO

Quotes attributable to ACTU Secretary Sally McManus:

“Australians need a pay rise. Corporate profits continue to rise while working people are dealing with record low wage growth. MYEFO contains the government’s predictions that wages will rise, but they are without justification or evidence.”

“The Turnbull Government has attacked unions, making it harder for people to get pay rises, while doing nothing to address casualisation, the increased use of contracting, underemployment and the cancellation of agreements.”

“Working people faced with electricity bills increasing 539% faster than CPI, gas prices increasing 356% faster, childcare increasing 161% faster and car fuel costs increasing 317% faster know that their living standards are falling while Malcolm Turnbull does nothing to ensure their wages keep pace.

“Workers are being told they can’t take action to increase they pay or protect their jobs yet the Turnbull

government thinks that somehow wages will miraculously increase. The rules for getting a pay rise are broken, until the rules are changed, it is hard to see how Australian's pay can increase.

"The threshold for repayment for higher education loans has been lowered to \$45,000 - just \$9,000 per year above the minimum wage. This will take money out of the pockets of people who have just finished university or TAFE just as they are trying to establish their own lives."

"If this Government wanted to see its forecasts become reality, it would support unions in pushing for an increase in the minimum wage and stop 700,000 low paid workers getting their penalty rates cut. It would stop making it hard for working people to bargain, and it would work with unions to change the rules."

"The Turnbull Government's latest forecast is strong on fantasy and weak on the real conditions faced by working people."

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