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FUDGE IT BUDGET: Turnbull fails working Australians and Gives golden handshake to big corporations

The Turnbull Government today delivered a golden handshake to \$100 million corporations and the top 1 per cent of income earners, while working Australians are left even worse off.

The top 1 per cent of income earners will get thousands of dollars in tax cuts and \$100 million corporations get a massive tax cut in three years' time. And the Government fudged it on the tax reform needed in areas like capital gains tax and negative gearing which adversely impact the already serious issue of housing affordability.

Meanwhile, three in four Australian workers – those earning less than \$80,000 – get nothing in this budget and will bear the brunt of cuts to health, education and other services, made across the three budgets of this Government.

A more unfair tax system and cuts to schools and hospitals

ACTU President Ged Kearney said the cuts to schools and hospitals remain virtually unchanged from previous budgets.

“In the past two years, this Government ripped \$80 billion from planned investment in working Australians’ schools, hospitals and other essential health services. This budget returns a pathetic 5 per cent (\$4.1 billion) of that back – it’s a drop in the ocean.”

“They fudged it on health, returning only \$2.9 billion of \$57 billion in cuts to planned investment. This means mean less money to employ nurses and doctors, fewer beds and longer emergency and elective surgery waiting times.”

“They fudged it on schools, returning only \$1.2 billion of \$30 billion in cuts, including the last two years of the Gonski reforms, taking away our children’s chance to have the best possible start in life.”

Ms Kearney said this Budget was a “missed opportunity” to present a clear vision and address the systemic failure of the tax system to support our hospitals, schools and infrastructure and would result in even higher levels of inequality.”

No jobs, no growth

With the RBA making a big vote of no confidence in the Australian economy today, Ms Kearney said perhaps the biggest failure in this budget is to lay out a clear economic vision to generate jobs growth.

“The Government has failed to provide a credible jobs plan at a time when we have unemployment still higher than pre-GFC levels and two million people are underemployed or unemployed.”

“A corporate tax cut is not a jobs plan.”

“It provides breadcrumbs for youth unemployment which is in double digit figures – 12 per cent nationally and above 15 per cent in some local communities like the NSW Central Coast, parts of south-west Sydney, Townsville and all of South Australia.”

“The Government’s own budget papers project negative or zero total business investment over the forward estimates. Where are the jobs coming from?”

“The Government seems to think providing tax cuts to big corporations is magically going to create investment or stimulate the economy. This ‘trickle-down’ logic is a fantasy.”

“Handing over more and more to the top 1 per cent, while cutting the public services and workplace protections is simply not the route to a strong economy.”

Ms Kearney also questioned the legality of the Government’s intern program.

“This Government cut \$1 billion from apprenticeships two years ago. Now they give us a US style internship program which amounts to a taxpayer funded youth exploitation scheme.”

Corporate tax evasion – insufficient response

Even on the question of multinational tax evasion, the Government’s policy falls well short. Reliable estimates say that up to \$10 billion could be raised by properly tackling corporate tax evasion.

But having sacked 4000 staff from the tax office and hundreds more from ASIC and the ACCC, this budget returns only a quarter of these jobs.

“What use is the Government’s announcement on corporate tax evasion if there are not enough staff at the ATO to enforce the tax laws?”

“It is no surprise then that the Government’s so called ‘Google Tax’ will raise a mere \$200 million over the forward estimates. This Government has no intention of seriously tackling corporate tax evasion.”

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