

Thursday 14 September, 2017

## Systemic inequality still Australia's biggest problem

Labour force data released today shows underemployment remains high, while inequality between the richest and poorest in our society persists at record 70 year high.

The underemployment rate remained at record highs at 8.7%. Over the past year this rate increased by 0.2 percentage points, with the number of underemployed increasing by 52,200 persons.

The unemployment rate has failed to improve remaining at 5.6 per cent for August.

The richest 20% hold 40% of total household income, but 63% of household wealth. Conversely, while the poorest 20% have 8% of the nation's income, they don't hold even 1% of its wealth.

The following indicators of inequality have not improved significantly over time

- The median 'private income' (primarily from wages) for the second quintile is \$785 per week, suggesting that the bottom 30% of households earn amounts below this, which means almost one in three households is earning below the minimum wage
- Gini coefficient measure of inequality (higher is more unequal) for disposable (after tax) household income has not fallen in the seven years from 2009-10 to 2015-16
- Mean and median weekly disposable income for households has not improved in real terms between 2013-14 and 2015-16 –people are no better off than two years before
- A quarter of households have debt which is three times their income

### Quotes attributable to ACTU President Ged Kearney:

"Inequality is destroying the Australian way of life with huge amounts of wealth concentrating in the hands of the largest employers who are able to relentlessly pursue attacks on workers' rights and incomes."

"Almost a third of Australian households are trying to get by with earned incomes below the minimum wage. It's appalling."

"We need to change the rules to address inequality. We need the rich to pay their fair share of tax, and we need better wages in more secure jobs for everyone else."

"Wage rises for working people would be a massive boost for the economy, which is why wage growth is being championed by everyone from the RBA Governor to treasury."

"The Turnbull Government has sat idly by and let inequality blow out to record levels because they're not governing for working people, they're governing for the richest members of our society, who are doing better than ever under this government."

**ENDS**

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