

Friday 5 July 2019

Unfair Morrison tax plan will cost all of us

Scott Morrison's plan to put cleaners, farm workers and shop assistants in the same tax bracket as senior executives will see him slash government spending on infrastructure, aged care, pensions, hospitals, schools, scientific research, industry development, skills training and universities to make up for the lost revenue.

The peak body for working people has slammed the cuts, demanding Mr Morrison explain which services he will cut to pay for stage three of his tax plan.

The Morrison Government refused to pass modest tax cuts for working people on low and middle incomes without also attaching much larger handouts for those earning more than half a million dollars a year.

The third stage of the tax plan mainly benefits very high income earners.

The result is a flat tax for people paid between \$45,000 and \$200,000 a year – a regressive move that abolishes the progressive nature of Australia's taxation system.

Mr Morrison's assertion that the budget will not need to be cut relies on optimistic wage growth targets that the Coalition has repeatedly failed to reach in the past.

It will require substantial cuts to government services that working people depend on, will see people who do public service work funded by the commonwealth sacked, and will make our country less fair.

The cuts come at a time of sustained record low wages growth, meaning working people will have less capacity to pay the out-of-pocket costs incurred by looming federal government cuts.

Quotes attributable to ACTU Secretary Sally McManus:

"It is telling of this government's priorities that they refused to pass a tax cut for people on low and middle incomes without also attaching much larger cuts for people on half a million dollars a year.

"The third stage of the tax cuts fundamentally changes the progressive nature of our tax system. It puts people on barely more than the minimum wage in the same tax bracket as people who are paid five times as much.

"Why should the office cleaner and the CEO be in the same tax bracket?

"Scott Morrison has set a time bomb ticking. They have no plan to reach their wage growth targets, and when they fail to meet those targets the result will be cuts to services and job losses in schools, hospitals, universities, aged care and the community sector.

"Scott Morrison needs to explain which services that working people rely on he is going to cut to pay for the third stage of these cuts. Will we have fewer nurses? Fewer hospital beds? Fewer teachers, or fewer schools? Will we have longer wait times? Lower Medicare rebates?

"Tax cuts are not a substitute for real wage increases. Scott Morrison and his Government's plan will deliberately keep wages low.

“They’ve cut penalty rates. They’ve capped public service wages to produce real wage cuts. And they’ve admitted it’s a ‘design feature’ of their economic plan.

“I invite Scott Morrison to take the sensible actions on wages that we have proposed – reverse penalty rate cuts, remove public service caps and support a living wage.”

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