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New research shows Australia's plan for G20 is on the wrong track for economic growth

A new analysis shows wages growth in Australia has reached a 17 year low, raising concerns about a prolonged period of stagnation in real living standards.

The research released by the ACTU in advance of this week's L20 and G20 summits in Brisbane follows international research presented to G20 Labour Ministers in September, which shows increasing wages and investment in infrastructure will boost GDP in G20 countries and create millions of new jobs globally.

ACTU President and Chair of the Australian L20 Steering Group, Ged Kearney said the research shows the Australian Government's agenda to drive down wages and cut health and education spending is out of step with other G20 nations.

"Other G20 participants are advocating for inclusive growth, increased wages and targeted spending on social protections," said Ms Kearney.

"Yet the Abbott Government is doing the exact opposite by attacking domestic wages and conditions and pursuing an agenda of savage cuts to social infrastructure, including health and education.

The ACTU Economic Bulletin shows wages growth has slowed in all industries in Australia, reflecting a weaker labour market with higher unemployment and slower employment growth.

"The figures show the Abbott Government and big business claims that Australia is facing a wages blow out are completely false," said Ms Kearney.

"While the rest of the world is moving away from austerity measures, the Abbott Government is trying to drive down wages and push through some of the harshest budget measures in Australia's history.

"Sharp and growing inequality is bad for growth, a point now recognised by international institutions including the IMF and World Bank," Ms Kearney said.

Measures to reduce inequality and boost economic growth will be on the agenda at the L20 summit in Brisbane this week on Thursday 13th November and Friday 14th November.

The L20 will be calling on the G20 to:

- endorse a balanced policy mix to stimulate demand, raise low incomes and create jobs
- bring forward investments in public infrastructure and commit to invest in low-carbon growth and reduce greenhouse gas emissions
- deliver on past commitments to create quality jobs and training for young people
- implement the OECD Action Plan on multinational tax avoidance and evasion to ensure fair taxation

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Press conference: Labour 20 Press Conference Emporium Hotel, Brisbane 10:45 – 11:10 am, Thursday 14th November 2014

Reports: ACTU Economic Bulletin, October 2014 (attached). Economic modelling prepared for the L20 by Professor Ozlem Onaran, University of Greenwich: <http://www.ituc-csi.org/the-case-for-a-coordinated-policy> (English)