

Monday 26 September, 2016

## **ACTU Tax Submission finds cuts go to the wealthiest, costing taxpayers billions**

In a submission to the senate Standing Committee on Economics, the Australian Council of Trade Unions (ACTU) finds that there is no evidence that the Turnbull government's proposed corporate tax cuts will generate job growth or improve the living standards of Australians to the level the government, or business groups are claiming.

Recent modelling from the Department of Treasury shows that cutting the company tax rate by one percentage point would serve mainly to benefit company profits, with an increase of only 0.1% to GDP and less than 1% in job growth over the next two decades.

The proposed corporate tax cuts will cost at least \$50 billion (with some estimating the cost blowing out to \$19.7 billion per annum in 2026-27), money that could be used to invest in health, education, training, innovation, research, transport, communication, infrastructure which are sorely under-funded under this government.

Seventy-five percent of the benefits of the proposed personal income tax cuts (estimated to cost around \$9.6 billion over the forward estimates) go to the top 10% of income earners. Half (47%) of the benefits go to the top 1% of income earners.

The tax proposals will do nothing to help ordinary people and will only benefit those for whom extra assistance will be barely noticeable.

The ACTU calls on the government to abandon these tax cuts and put the more than \$50 billion to better use investing in the future prosperity of our economy and our society.

To read the full submission:

<http://www.actu.org.au/our-work/submissions/actu-submission-to-the-senate-standing-committee-on-economics>

**ENDS**

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<http://www.actu.org.au/actu-media/media-releases>