

Tuesday, 6 February 2018

Company tax cuts put corporate profits ahead of people

The Coalition's planned \$65 billion tax cut for corporations will come at the expense of working Australians, the ACTU has warned.

Research by the Australia Institute to back its television ad campaign against the cuts shows that the primary beneficiaries of the cuts are large businesses in the banking, insurance and resources sectors whose hiring and remuneration practices would be unaffected by a reduced company tax rate.

This flies in the face of Treasurer Scott Morrison's assertions in the AFR Monday morning that his big business handout would boost wages for working people.

The Australia Institute analysis found that the economy would run better if the \$65 billion was invested in services like schools and hospitals.

A full third of the money would end up in the coffers of only fifteen companies: Commonwealth Bank, Westpac, National Australia Bank, ANZ, Macquarie, QBE, BHP Billiton, Woodside, Wesfarmers, Woolworths, Scentre Group, Westfield, Telstra and CSL.

These companies already enjoy unchallenged market power in their sectors and do not operate in an environment that is competitive enough for the company tax rate to affect their decisions on employment and remuneration.

Quotes attributable to Sally McManus, ACTU Secretary:

"Trickle-down economics has failed, and it has failed repeatedly. Working people know this, and they won't be fooled by Mr Morrison's attempt to spin a \$65 billion dollar corporate handout into a win for wage earners."

"The Turnbull government is addicted to trickle-down economics. They know no other way. They believe if we give handouts to the wealthy and multi-national corporations somehow working Australians will get a pay rise. But this is not how the world works.

"This unnecessary and expensive corporate handout comes at the expense of government investment into schools, hospitals and community services. It takes the tax dollars of working Australians and shovels them into the coffers of big business. You have to wonder if there is any limit to their greed.

"Instead the government should be focusing on making sure that corporations pay their fair share of tax and that working people have strong enough rights to win pay rises."

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