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Productivity Commission highlights growing inequality

An unlikely voice has joined the chorus of those sounding the alarm on inequality in Australia, with a Productivity Commission report on income inequality released today.

The report found that nearly half of all Australians experienced income poverty at some point between 2011 and 2016, and nearly one in ten Australians currently live below the income poverty line.

Meanwhile the incomes of the top one percent continue to rise. In 2015/16, the top one percent of income earners accounted for 5.3 percent of total disposable income, up from 4.4 per cent in 1988/89.

Income inequality has increased over the last three decades alongside wealth inequality, the report found. The Commission also warned that excessive inequality and entrenched disadvantage can erode social cohesion and hinder growth.

Inequality can also weaken investment in education and skills, the report said.

The report comes on the heels of repeated record low wage growth figures for working people in Australia and after repeated warnings from working people's representatives that the workplace relations system was out of balance, and does not give working people the tools or power they need to win fair pay rises.

Quotes attributable to ACTU President Michele O'Neil:

"This report proves what working people in Australia experience every day. Our bills are increasing but our income isn't keeping up. Meanwhile corporations and the very wealthy are doing better than ever."

"This is not the first conservative body to sound the alarm on inequality and the lack of fair pay rises in our society.

"With this report, the Productivity Commission joins the Reserve Bank, the OECD and the International Monetary Fund in saying that low wage growth is a real problem that's holding back working people, our country and our economic prosperity.

"Australia needs a pay rise. And that means changing the rules so working people have the power to win fair pay rises and more secure jobs.

"We need to change the rules so that working people can win fair pay rises that keep pace with the cost of living, and to set our country on a course back to fairness."

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