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## Independent report hits out at Government's trickle-down economics theory

A new report from the Inclusive Prosperity Commission exposes the inequality of the Turnbull's Government's obsession with trickle-down economics.

The expert authors of the report *Inequality: The facts and figures* have found that rising inequality in Australia is having a destabilising effect on the economy.

This report sits alongside global economic authorities, such as the International Monetary Fund (IMF), the World Bank and the Bank of England, warning that rising inequality is a serious threat to the future growth of advanced economies.

The report notes that as well as the negative relationship between inequality and growth, there are far reaching social consequences of high levels of income inequality.

Australian Council of Trade Unions (ACTU) Secretary Dave Oliver was a key contributor to the report, writing that the Federal Government can and must take steps to reduce inequality.

"The conservative plan for Australia would take us a long way down the wrong path. Global firms avoiding tax and domestic firms wanting to minimise tax in response, conservative advocates wrong-headedly chasing 'competitiveness' (and instead risking a revenue race to the bottom) and conservative politicians wanting to reward upper-income voters and (in some extreme cases) wanting to 'starve the beast' of the state, combine to put the long term public revenue at risk," Mr Oliver wrote in the report.

### The following quotes are attributable to ACTU Secretary Dave Oliver:

"The Government's problem is its dogged pursuit of failed 'trickle down' policies based on the hope that handouts to corporations and the already wealthy will somehow benefit everyone else.

"Australia is a wealthy country where corporate profits have tripled in the past 25 years, but we are seeing youth unemployment at critical levels, wage growth stubbornly stagnant and the economy stalling.

"Cutting penalty rates, lowering the minimum wage and cutting critical services won't just harm Australian families, it will harm the economy, and using these cuts to fund corporate tax cuts is definitely not in our national interest.

"Working people must be able to access good jobs and wages, affordable housing, health care and education, and secure incomes in retirement.

"At a time where we are facing one of the most significant changes to our labour market- the looming digital revolution – the Federal Government must take decisive, practical steps to reduce unemployment, which remains stubbornly high, especially in regional areas, and grasp the opportunities for all Australians."

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