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Gap between rich and poor growing under Abbott Government

A new Senate report showing Tony Abbott's budget cuts will worsen inequality and poverty in Australia should serve as a wake-up call to the Federal Government, unions said today.

The Senate Committee Report into Income Inequality shows the gap between rich and poor Australians has increased since the 1980's and recommends scrapping a raft of budget measures that target the unemployed, low and middle income earners.

"By freezing family payments, slashing family tax benefits and cutting increases to parenting, aged, disability support, carer and veterans' payments – the Government is saying that it does not believe that tackling rising inequality is important," said ACTU President Ged Kearney

"Tony Abbott has made a choice to deliver a budget that will see a low income couple with kids lose an average of \$1138 this year while a single parent in the same circumstances will lose an average of \$1086, according to NATSEM figures," Ms Kearney said.

Ms Kearney said the Abbott Government should be cutting tax concessions to wealthy Australians instead of pursuing unfair budget measures that will increase inequality.

"IMF figures show Australia forgoes more revenue through tax concessions and benefits than other OECD countries," said Ms Kearney.

"The Government would save billions of dollars every year by reducing superannuation concessions for high income earners, who currently receive more government support for their retirement than low or middle income earners do."

Ms Kearney said unions support equitable concessions focussed on low and middle income earners not a bonanza for the top.

"Instead, the Abbott Government has made a conscious choice to increase inequality by choosing budget measures that slash income redistribution even further.