# Press Release –

# Motion in Australian Senate Opposing Role of IMF in Greece

The Australian-Greece Solidarity Campaign welcomes the motion introduced by The Greens into the Australian senate today that has called on the Australian government to:

1. Express concern at the continued support by IMF officials for the austerity program for Greece;
2. Seek the support of other IMF member states for alternative measures that will better address social and humanitarian challenges in Greece;
3. Insist the IMF refrain from imposing policy conditions upon Greece which will potentially lead to a default of more than AUD $40 billion debt towards the IMF.

A copy of the motion is attached.

**Senator LUDLAM said:**  The dramatic collapse of Greek GDP by more than 25 per cent began more than five years ago and it has produced a humanitarian disaster. The minimum wage has shrunk by some 40 per cent and unemployment in Greece has risen, with 25 per cent of people now being unemployed and nearly 60 per cent of all youth being unemployed. The fact is that the collapse of the Greek economy has been almost intentional. It has gone hand in hand with the implementation of the most extreme form of austerity politics that has been prescribed by the troika of lenders: the ECB, the EU and the IMF.

Our Treasurer, Joe Hockey, is a member of the IMF's International Monetary and Financial Committee. We are asking that the Senate call Mr Hockey and the governors of the IMF and the World Bank Group to ensure that further misery is not visited on the people of Greece.

**Greens NSW Senator Lee Rhiannon** said:

“The Australian government needs to assume its proper responsibilities on the IMF Board and other committees, by calling for a change from austerity.

“Australia should be asking the IMF to work with the Greek government to apply alternative measures that better address the social and humanitarian challenges in Greece.”

It should be noted , that the IMF is demanding further sweeping measures of austerity at a time when (i) the Greek government debt burden stands at 180% of GDP, (ii) the Greeks have already applied the biggest swing in budget deficit to surplus by any government since the 1930s, and (iii) further austerity would only drive the Greek economy even deeper into its depression.

While all the lenders share a responsibility for the harsh and inflexible position they have taken into these negotiations, it is the IMF leading the austerity charge.

The austerity politics demanded by the IMF and other lenders are damaging to Greece and the prospects for growth across Europe.

Adam Rorris, the national coordinator of the Australia-Greece Solidarity Campaign, has identified a further specific concern for Australia regarding the IMF policies towards Greece:

“There are approximately 130,000 Australians living in Greece and many of these will be tempted to join the thousands that have already left Greece to return to Australia. As a result of failed negotiations causing a default by the Greek government, there will be forced economic migration to Australia. This will be upsetting for many of these citizens and impose resettlement costs for Australia. Of course, this will be especially difficult for older citizens that had returned to Greece and hoped to see out their retirement in that country”.

Australia will also bear significant costs from a default as a shareholder within the IMF. There will also be a direct financial cost to Australia from any default by Greece on the money it owes to the IMF (more than USD30 billion).

“It will be a spectacular own goal by the IMF to demand such harsh austerity conditions that a country defaults and it ends up costing Australian and other taxpayers more than USD 30 billion”, said Mr Rorris.

### Further information

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**Motion moved by Senator Scott Ludlam (Greens)**

The Senate:

 (a)   Notes:
a.      The perilous state of the Greek economy and misery being endured by many in the Greek community as a result of economic conditions;

b.      That in May 2010 the Eurozone countries, the European Central Bank and the International Monetary Fund, launched a €110 billion bailout that was conditional on implementation of austerity measures;

c.       Tripartite lenders to Greece are currently demanding further austerity measures, without future debt relief, in order to release the remaining funds from the current lending program agreement.

 (b)   Calls on the Australian Treasurer, a member of the International Monetary and Financial Committee (IMFC) of the IMF, and Governor of IMF and The World Bank Group, to:
1.      Express concern at the continued support by IMF officials for the austerity program for Greece;

2.      Seek the support of other IMF member states for alternative measures that will better address social and humanitarian challenges in Greece;

3.      Insist the IMF refrain from imposing policy conditions upon Greece which will potentially lead to a default of more than AUD $40 billion debt towards the IMF.