

# Government Services and Tax

## Resolution

### *ACTU CONGRESS 2003*

1. Unions and the ACTU have a long history of campaigning for the maintenance and improvement of the social wage, which includes public services.
2. A key priority for unions in the coming period is the restoration and repair of community services weakened by the destructive policies of the Federal Government.
3. Congress reasserts its commitment to Medicare as a universal health insurance system for all Australians, regardless of their social and economic circumstances and resolves to campaign vigorously against the Federal Government's policy objective to convert Medicare into a sub-standard welfare scheme.
4. Congress is equally concerned that the changes in education policy will lead to the re-emergence of discrimination in access to higher education based on socio-economic status, not seen in Australia since the Menzies period.
5. Overwhelmingly, the community values public provision of health and education ahead of individual tax cuts. Polling conducted for the ACTU by Australian Research Consultants demonstrates that:
  - (a) 76% of respondents would prefer the Federal Government to spend money on improving services like schools and hospitals rather than an income tax cut.
  - (b) Only 18% would prefer a tax cut.
  - (c) 69% of respondents who are Coalition voters, and 75% of respondents with a household income exceeding \$80,000 per year, also preferred spending on services rather than an income tax cut.
  - (d) There are very high levels of dissatisfaction with the Federal Government's handling of higher education, with 65% of respondents dissatisfied and only 20% satisfied.

6. Congress re-affirms its longstanding commitment to the principle of a fair and progressive taxation system which raises sufficient revenue to ensure that the community receives access to high quality services available to all on the basis of need, not income.
7. Congress condemns the Federal Government's deliberate move away from this principle towards models based on user-pay for essential services, particularly in health and education.
8. Unacceptable examples of this policy shift include:
  - (a) Allowing GPs to charge patients unlimited consultation fees while claiming the bulk billing rebate direct from the Federal Government.
  - (b) De-regulating of higher education fees allowing universities to increase course charges.
  - (c) Allocating increased funding to the failing Jobs Network, following the collapse of Employment National.
  - (d) Implementing individual tax cuts which do little to raise living standards for low and middle income earners but which take funds from the Budget which could be better used to repair the damage done in health, education and other vital areas of public service provision.
  - (e) The failure to index allowable deductions for work expenses, making low income working Australians, rather than high income earners, liable for demanding record keeping and audits.
9. Congress condemns the Federal Government for its attack on essential public services, especially in health and education, which will depress the living standards of low-income households, in particular, and generate wider inequality. A tax cut of \$4 per week will not compensate working families for the increased cost of visits to the doctor, the increased debt incurred through higher education, or the social and economic impact of the destruction of the Commonwealth Employment Service.
10. The introduction of Medicare, with its associated bulk billing, was a key component of the 1983 Accord between the ACTU and the ALP, and has been strongly supported by unions and workers generally since that time. Workers have paid for Medicare through payment of the levy, and also by accepting the effect of the introduction of Medicare in lowering the CPI and so reducing, by 2.6% in 1984, the level of wage indexation awarded by the Australian Industrial Relations Commission.

11. Congress declares that working families, having paid for Medicare, should not be required to pay more through additional payments to doctors.
12. Congress congratulates the Australian Labor Party for opposing the Federal Government's attacks on working families' access to quality health and education, and for developing alternative policies which promote the values of equality and opportunity for all.
13. Congress resolves that the ACTU will develop and support joint campaigns which promote increased public spending on health, education, community services and social welfare transfer payments. Such campaigns should highlight the extent of public support for universal health care based on bulk billing and access to higher education based on academic merit, not wealth.
14. In particular, unions will:
  - (a) inform members and others in workplaces and the community of the effects of the Federal Government's changes to Medicare and higher education;
  - (b) take an active part in campaigns to support Medicare and other services;
  - (c) promote the value of funding these services rather than providing individual tax cuts; and
  - (d) mobilise union members to campaign in key electorates leading up to the next election around these key issues.