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Time for a ‘millionaires’ tax’ to ensure the wealthiest Australians pay their fair share, say unions

Reforms to make the wealthiest Australians pay their fair share of tax must be stepped up, including the introduction of a new “millionaires’ tax”, say unions.

At next week’s ACTU Congress, unions will discuss proposals to shift the tax burden off the shoulders of low and middle income Australians, as part of an agenda to shape a fairer and stronger economic system.

ACTU Assistant Secretary Tim Lyons said tax reforms announced in this week’s Federal Budget had made the system more progressive, but there was much more that could be done to ensure Australia’s wealthy pay their fair share.

The union movement’s economic policy agenda for the next three years will include a proposal for a millionaire’s tax, similar to the “Buffett Rule” advocated by the Obama administration in the United States. This will be debated on the second day of next week’s ACTU Congress, beginning on 15 May.

Mr Lyons said the Budget had made strides towards a fairer tax system with a tripling of the tax-free threshold, reduction of super tax concessions for high income earners, and the tightening of loopholes like the tax concessions for golden handshakes and executives’ Living Away from Home Allowance. But she said more was needed to undo the damage of the Howard years, which had favoured tax cuts for high income earners.

“Next week, about 1000 delegates will be focused on our vision to create a better, fairer and more secure life for all Australian workers,” Mr Lyons said. “Part of will include a plan to transform the way Australians are taxed, which at the moment places more weight on the shoulders of working Australians and their families.

“The Minerals Rent Resource Tax and the tax loss ‘carry back’ are good policy, but further change are needed to the business tax system to support jobs and growth, while ensuring business pays its fair share.

“The income tax system is absurdly inequitable when it comes to taxing the mega-rich. Because most of their income comes from investments, billionaires like Gina Rinehart, Clive Palmer and Andrew Forrest pay a much lower proportional tax rate than the average Australian family. They are laughing all the way to the bank, while ordinary Australians struggle to find secure jobs and meet their costs of living.

“The adoption of a Down Under version of the ‘Buffet Rule’ would ensure that millionaires who principally derive their income from capital gains pay at least as much in tax as a proportion of their incomes as ordinary working Australians.”

All draft policies for the ACTU Congress are available at www.actucongress.org.au. Congress is on from 15-17 May at the Sydney Convention Centre.

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