

Tuesday, 2 June 2015

Tax White Paper: Reform needed at the top end of town

Multinational companies are paying less tax in Australia than in the United States, the UK, France, Germany and Japan.

Research in the ACTU submission to the government's Tax White Paper consultation shows the real rate of company tax in Australia is much lower than the headline marginal tax rate and lower than many OECD countries after various tax concessions are taken into account.

In fact, the Tax White Paper itself acknowledges that overall tax in Australia "is relatively low compared to other developed countries".

Instead of cutting company taxes even further, the ACTU submission argues that the Abbott Government should use the Tax White Paper as an opportunity to boost revenue by ensuring that companies pay their fair share of tax.

Unions are also disappointed the government has ruled out reforms to superannuation tax concessions that benefit the wealthiest Australians and see the government forgo billions of dollars in revenue each year.

By excluding super tax concessions and establishing principles for the white paper that are based on lowering taxes, the government has missed an opportunity for a genuine debate about fair and progressive tax reform.

Instead of pandering to business lobby groups, tax reform should be about creating a fair and progressive system that adequately funds public services, supports jobs and growth, and ensures that business pays its fair share.

The ACTU submission to the government's Tax White Paper consultation is available here: <http://www.actu.org.au/our-work/submissions/actu-submission-to-the-governments-consultation-on-the-tax-white-paper>

Quotes attributable to ACTU President Ged Kearney:

"If the government is serious about tax reform it needs to take a look at the top – instead it ruled out reforming super tax concessions that benefit the wealthiest Australians before the review even got underway.

"Instead of launching a wholesale review of Australia's tax system, the government has set up a white paper with principles that pander to business lobby groups trying to lower company taxes.

"The Tax White Paper acknowledges that Australia is a low tax country, yet the government has effectively ruled out any debate about progressive and fair tax reform.

"Tax reform needs to focus on creating a fair and progressive tax system that adequately funds public services, supports jobs and growth and ensures business pays its fair share.

"The government should use this tax review to boost revenue by ensuring big business pays its fair share of tax."

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