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Tax debate must be about fairness not profits

Unions welcome further discussion on tax reform but the focus must be on creating a more equitable system, not a bonanza for the wealthy.

Change is urgently needed as the current system is unfair and skewed to benefit the wealthy.

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, and by fixing the corporate tax rorts that too many companies use to pay little or no tax.

Treasury estimates that the concessional taxation of super costs \$32 billion a year.

Australia forgoes more revenue through tax expenditure than all other advanced economies.

One of the main differences between high and low inequality countries is the amount of redistribution they do through taxes and transfers.

The amount of redistribution in Australia has fallen over time, partly due to policy choices.

The government could improve the budget bottom line without increasing inequality simply by reforming super tax concessions and stopping the corporate tax rorts.

Quotes attributable to ACTU President Ged Kearney:

“Unions support equitable concessions focussed on low and middle income earners not a bonanza for high earners.

“So far this Government has ruled only in the interest of the top and this tax review must not result in a continuation of this.

“We need to get serious about the budget bottom line and address, for example, unfair tax expenditure that sees billions of dollars in superannuation tax concessions flow into the pockets of high income earners every year, and the rorts that let too many companies pay little or no tax.

“Unfair superannuation concessions available to high income earners could be overhauled to generate revenue and ensure the system is fair to all Australians.

“How can we talk about reforming the taxes working Australians pay such as the GST without enforcing the existing rules on companies who seek to dodge tax?”

We welcome further debate on this vital issue.”

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