



21 September, 2011

Tax Forum
Treasury,
Langton Crescent,
PARKES ACT 2600

Via Email: taxforum@treasury.gov.au

To Whom It May Concern,

We thank you for the opportunity to provide a statement of priorities for the Tax Forum on October, 4th and 5th, 2011.

The AMWU supports the priorities for reform of the tax and transfer system put forward by the ACTU in their submission to the Tax Forum.

Specifically:

- We support tax reform that helps ordinary low and middle income working Australians, their families and communities maintain and improve their standard of living
- We support tax reform and a transfer systems that does more for unemployed and disadvantaged Australians, particularly those groups that missed out on the fiscal dividend from the first resources boom where the Howard Government extended tax cuts and social wage payments that were not subject to means-testing. It is our submission that this policy deprived benefits from those most in need.
- We support tax reform that rewards real wealth and job creation, helps Australia to maintain a diverse economic base, and promotes environmentally-sustainable economic activity in this country.

A particular priority for the AMWU at this time is to help manufacturing and other non-resource, trade-exposed industries that are struggling to adjust to the recent appreciation of the Australian dollar. Manufacturing is also being hit hard by rising energy and material input costs, greater competition from abroad and the legacy of a decade of lost productivity caused in large part by a significant underinvestment in infrastructure, skills and innovation by the government of the day.

This crisis in manufacturing was highlighted again on September 15 when the ABS statistician released the August detailed jobs report.

This report showed that nearly 50,000 manufacturing jobs were lost in the six months to August 2011 adding to the approximately 110,000 manufacturing jobs that have been lost in the past three years.

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The AMWU maintains that the Mining Resource Rent Tax should cover a broader range of resources and that the rate of tax should be higher.

We also maintain that there are more fossil fuel subsidies that should be gradually phased out. In addition we believe that wealthier Australians have the capacity to make a greater contribution to tax revenue and that scope exists to crack down on the tax avoidance practices of both individuals and firms.

By doing this, funds can be made available for investment incentives for rebuilding manufacturing with more modern plant equipment and advanced manufacturing technologies and to support early-stage investments into high-growth start-up companies. Funds can also be made available to help attract new foreign direct investment in new manufacturing facilities in Australia and help firms search out new export markets. Additional funding from such initiatives can also be utilised to support new product development around those goods and services that are more sustainable and at the higher end of the value chain where we compete on skills and innovation rather than on low wages and a race to the bottom.

There may also be scope to make reductions in the company tax rate self funding for firms that invest in the future but such investment incentives and lower corporate tax rates should not be extended to the mining or finance sectors which are already highly profitable in the prevailing economic circumstances.

We look forward to participating in the Tax Forum in the interest of Australian workers and their families and the maintenance of a broad scope economic base to underpin Australia's future.

Yours faithfully,



DAVE OLIVER
NATIONAL SECRETARY