



TAX FORUM

4-5 October 2011

STATEMENT OF REFORM PRIORITIES

PARTICIPANT NAME AND POSITION

Louise Tarrant, United Voice National Secretary

ORGANISATION

United Voice is a union of workers organising to win better jobs, stronger communities, a fairer society and a sustainable future. Members work across a range of industries including aged care, health, childcare, education, property services, hospitality and manufacturing. United Voice is an organisation of 120,000 Australian workers, united by their belief in the dignity of workers and their right to fair and just treatment at work and fair and just access to wealth, security and voice in our community.

STATEMENT OF PRIORITIES

1. What are your priority reform directions for the tax and transfer system?

United Voice believes that Tax is a common good. It is not a 'burden' and it should not be demonised. A progressive and adequate tax base ensures income, wealth and risk in our community are more fairly distributed and government has the means to support and build the social and economic infrastructure our community needs.

United Voice raises five issues related to Australia's tax system and tax base that we think have important impacts on our community.

- 1: At a time when the share of our economy's wealth going to profits (as opposed to wage packets) is the highest it's been in decades, business needs to step up – and pay up. United Voice members do not support decreases to corporate taxes but we do support the resources sector paying its fair share.
- 2: Australia prides itself on having a progressive tax system, yet one quarter of total tax expenditures goes to a regressive concession benefiting the highest paid. Superannuation contributions should be taxed at the same rate as other income. For those on low incomes further assistance is required to boost inadequate super accounts while maintaining an adequate publicly funded pension.
- 3: Recent years have seen a growing acknowledgment for the importance of quality education to the early years of a child's life. Driven by this, as well as by an understanding of the importance affordable and accessible early childhood education and care to women's labour force participation, the federal government has championed a quality reform agenda in the sector. New standards and new qualifications have been introduced. These changes now



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require an injection of government funds to pay professional wages in the sector. Reforms will be hollow and an adequate workforce undeliverable without this.

- 4: With an ageing population, our community is increasingly aware of the need to provide affordable and accessible quality aged care services. A trebling of the aged care workforce is required over the next three decades yet already workforce shortages plague the sector. Again, a government reform will be undeliverable unless funding is directed at wages.
- 5: Housing has historically been a rightful expectation of Australian households – but no longer. In the last 30 years working people's debt levels have soared and this has been largely influenced by the rising costs of housing...and it's getting worse. Current tax arrangements, particularly relating to negative gearing and capital gains tax, need to be re-examined and urgent attention given at this forum to how housing can once again become an accessible right of all Australians.

2. How are your proposals financed over the short and longer term?

Retaining the current corporate tax rate, reaping a just return from the resources sector and reducing the regressive superannuation tax concession, would all assist in building a healthier tax base.

Investment in areas like early childhood education and aged care have costs associated but also have real and tangible benefits – particularly relating to increasing the level of women's participation in the workforce.

LIST OF ATTACHMENTS

The United Voice Tax Forum submission is attached.