

Policy options to strengthen public revenue and improve fairness

8/12/2021

The following options to raise the public revenue we need have been developed by the Australian Council of Social Service.

The next Government should review the tax system to remove inconsistent, unfair and economically and environmentally harmful elements, so that the revenue governments need is raised in a better way. There is no need to increase tax rates on people with low and modest incomes.

The following options should be considered:

1. To raise revenue in a fairer, more sustainable way from personal income tax:
 - Review the tax treatment of investments, so that tax rates for investors with high incomes are no longer lower than those paid by average wage-earners;
 - Review the taxation of retirement incomes to remove biases against women and people on low incomes and in favour of those with substantial wealth, and ensure that superannuation is used to fund a decent retirement, not bequests;
 - Consider earmarked levies to fund and guarantee decent, affordable health and aged care services;
 - Curb tax avoidance and evasion using complex investment and business structures such as private trusts, companies, and transfers to tax havens.
2. To improve the fairness and efficiency of business taxation:
 - Remove opportunities for tax avoidance and evasion by international companies through contrived schemes that shift expenses and deductions to Australia and income to lower-taxed jurisdictions;
 - Remove or reduce poorly targeted tax concessions that do not contribute to Australia's economic development.
3. To underpin and support fair and inclusive action on climate change:
 - Eliminate fossil fuel subsidies.