

In Search of Tax Reform

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Introduction

This chapter is concerned with the search for tax reform in recent decades by leading community organisations in Australia that focus especially on the wellbeing of people who are experiencing substantial hardship or vulnerability for reasons such as lack of money or employability, ill-health, or social stigma. It describes what they saw as key tax issues during the period from the Commission of Inquiry into Poverty in the early 1970s¹ until the election of the Liberal Government in 2013, and the nature and impact of their work in research, policy development and advocacy on those issues.

The design of a country's tax system can have major impacts on its citizens. This applies not only to the amount of revenue² raised but perhaps even more to the ways in which it is raised. Tax design affects whether people can afford adequate food, clothing, housing, transport and education, earn a living, find or change jobs, and choose to work or retire in later years. It can also affect choices about getting married and about having children, as well as opportunities to enjoy healthy lifestyles, get necessary medical help, live in safe and adequately serviced areas, and avoid social isolation.

For present purposes, taxes can be analysed in four broad categories:

1. *Taxes on personal income*: including general taxes on personal income (such as wages, interest, dividends etc) and taxes on specific types of personal income (such as capital gains and superannuation contributions).
2. *Taxes on corporate income and payrolls*: including general taxes (such as corporate income tax and payroll tax) and taxes on specific types of business (such as mining companies and superannuation funds).
3. *Taxes on assets*: including taxes on asset ownership (either in general or of particular types such as land) and on asset transfers (such as gift and death duties, and stamp duties on land transactions). Taxes

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1 Australian Government Commission of Inquiry into Poverty, First Main Report, *Poverty in Australia* (AGPS, 1975) (the Henderson Report).

2 'Revenue' is used in this chapter to mean government receipts from taxes, not other sources of revenue.

This is a preview. Not all pages are shown.